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Elixir Energy

(formerly Elixir Petroleum Limited)

2019 Annual Report

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Corporate Directory

Directors

Mr Richard Cottee	Non-Executive Chairman
Mr Neil Young	Managing Director
Mr Stephen Kelemen	Non-Executive Director

Company Secretary
Ms Victoria Allinson

Registered Office
Level 10,
50 Pirie Street,
Adelaide SA 5000
South Australia

Bankers
National Australia Bank Limited
Ground Floor,
100 St George Terrace
Perth 6000
Western Australia

Share Registry
Security Transfer Registrars Pty Ltd
PO Box 535
Applecross 6953
Western Australia

Stock Exchange Listing
Australian Securities Exchange code: EXR

Auditors - Australia
BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco 6008
Western Australia

Auditors - Mongolia
SGMD Audit LLC
Suite #9, Building 14/2 -e,
Students' Street-44
Sukhbaatar District, 8th Khoroo
Ulaanbnaatar-46, Mongolia

Auditors - UK
Greenwich and Co.
Level 2, 35 Outram Street,
West Perth 6005
Western Australia

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Chairman's Letter

Dear fellow Shareholder

It is with a great pleasure that I write my first Chairman's letter to you. The timing is quite auspicious as it is occurring just before the quarter during which Elixir's assets in Mongolia should be substantially de-risked.

Over the last few months as I have met with Elixir's investors, a common question has been why I elected to join the Board of Elixir. The answer is quite simple - an eye-watering risk/reward equation. Elixir's Mongolia Coal Seam Gas (CSG) acreage appears to contain a large portion of gas-prone coal with acreage roughly equivalent to what Queensland Gas Corporation (QGC) held in 2002, when QGC had a similar market capitalisation. As Chief Executive of QGC in 2002 I was faced with a major de-risking task, similar to that facing Elixir now. Some 6 years later QGC was taken over for A$5.8 billion.

Another important part of the Elixir story, which has parallels with Australia, is its coal, being Permian, is of the same age as that of Santos' prime Queensland CSG acreage. You may not be aware that only Australia calls it CSG; the rest of the world calls it CBM or coal bed methane. Stephen Kelemen, my fellow director, was the person Santos put in charge of the proving up and developing of Santos' CSG assets as QGC was evolving. Your board therefore has two pioneers of the Queensland CSG revolution with unrivalled experience in developing CSG acreage.

Apart from the inherent geology, one of the major hurdles for CSG commercialisation where there is no existing pipeline network is markets. CSG requires markets which can accommodate the growth in reserves which often occurs as a result of production. This criterion seems to exist for Elixir.

I am confident there are some solutions. In the initial stage of development, there is the opportunity for in-situ power generation sized to meet the anticipated near-term production. Electricity transmission lines traverse Elixir's acreage, satisfying the early stage market. The required generation units could be leased thus releasing early cash-flow. The electricity our generation would replace is currently derived from burning lower quality coal-fired power thus this would enormously improve the air quality in Ulaanbaatar.

As the reserves grow, situated within our acreage is Rio Tinto's large copper mine – Oyu Tolgoi. Presently Oyu Tolgoi imports its power from China but, as part of its licence conditions, Rio Tinto needs to explore an indigenous source of electricity. We believe Elixir could be part of the solution.

Finally, some 400 kilometres away (roughly half the length of the Northern Territory to Queensland inter-connect) is one of China's largest trunk gas pipelines. China is a rapidly growing market turbo-charged by its desire to clean up its own air quality issues. All in all, markets do not appear to be any constraint on the rapid development of Elixir's acreage.

Elixir has excellent relationships on the ground in Mongolia, which are testament to the extensive work put in by your Chief Executive, Neil Young. Mongolia is a democratic country wedged between Russia and China. As Elixir's own permitting efforts attest, the rule of law remains steadfastly afoot. With a population less than 60% of that in Queensland, covering an area around 90% of the size of Queensland, it is indeed a sparsely populated country desirous of economic development, improvement in air quality and foreign exchange earnings.

While there are undoubted challenges ahead, the work being undertaken in this calendar year's fourth quarter is a major step to the unlocking of the value in Elixir's assets.

Yours sincerely
Mr Richard Cottee
Non-Executive Chairman

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Managing Director's Report

Overview

The 2019 financial year was one of considerable change for Elixir Energy Limited ("Elixir") and its subsidiary entities ("Group") as we re-focused on our new flagship asset - the Nomgon IX CSG (coal seam gas - also known as coal bed methane -CBM) PSC (production sharing contract) located in the South of Mongolia.

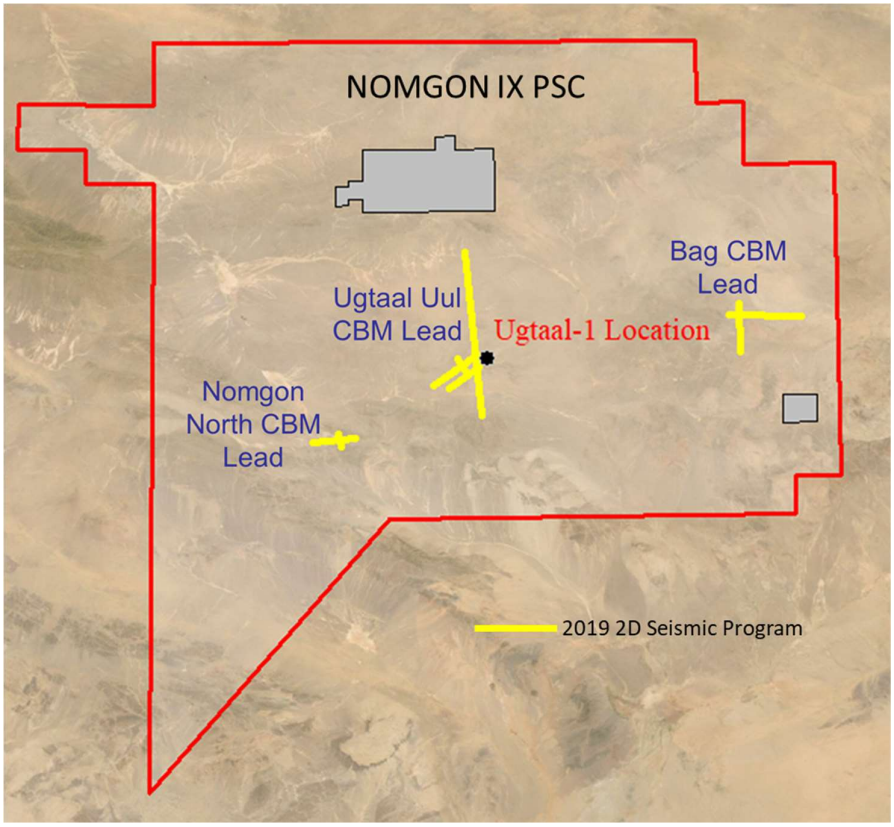
Elixir acquired a 100% interest in the Nomgon IX PSC in late 2018, following the acquisition of Golden Horde Ltd, an unlisted public company. I joined the Board as CEO at that time and was appointed Managing Director in early 2019.

As our new Chairman has outlined, Elixir has been fortunate to acquire the services of two pioneers of the Queensland CSG revolution, Richard himself and my ex-colleague at Santos, Stephen Kelemen. In addition to these Board changes, the company has assembled a strong and deep management team in Mongolia with well-known Mongolian businessman Mr B Byambasaikhan joining Elixir in March as a strategic adviser. This appointment complements our long time Mongolian partners who are now shareholders in Elixir.

Our Mongolian staff, the core of whom the Managing Director has worked with for many years, are located in Ulaanbaatar and the South Gobi region. Recently they have been joined by Mongolian contractors on the seismic and drilling fronts. To date, these contractors have performed exceptionally on all fronts – safety, environmentally, technically and economically.

Elixir's other historical assets are non-core and their current position is described below.

Nomgon IX CSG PSC



2019 Seismic Program in the Nomgon IX PSC

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The Nomgon IX CSG PSC is located in the South Gobi region of Mongolia – just North of the Chinese border. At around 30,000 km^2, the licence area is an exceptionally large one. Inside its borders (but excluded from the agreement) is the Government owned Tavan Tolgoi coal mine – considered to be one of the largest coal deposits in the world. Also within the PSC is the Rio Tinto operated Oyu Tolgoi copper/gold mine, which is the largest user of power in Mongolia.

An independent assessment of the prospective resources that the PSC could host was undertaken this fiscal year, delivering a risked best-case resource of 7.6 Tcf, which is roughly equivalent to the total gas production of Australia's Cooper Basin since its inception almost 50 years ago. This very large figure reflects the sheer size of the PSC and the positive CSG related data obtained therein.

A resource of this size would be regionally significant and has the potential to underwrite the construction of gas transmission pipeline infrastructure. However, as noted by Richard above, this is far from our only gas market option.

The PSC was executed in September 2018 with a 10 year (extendable) exploration period and a 30 year (also extendable) production period. The signing of the PSC triggered requirements to obtain a suite of consecutive regulatory approvals from a range of Government Ministries, regulators and local Government bodies. These were all procured by mid-2019 allowing a field exploration program to commence in the second half of 2019. The progress we have made over a short period is testament to the strength of our local team in Mongolia and our strong relationships with the Mongolian Government.

2019 Exploration Program

Capital was raised during the year through an issue of listed options and a strongly supported share placement. As a result of the successful capital raise, the 2019 exploration program is fully funded at a 100% ownership level – leaving the company with considerable optionality to deal with issues such as potential partners in the future.

Whilst the regulatory processes were being attended to, Elixir's technical team was busy assembling a multitude of data sources in order to set a foundation for the 2019 Exploration Program.

This process led to the selection of locations for the successful acquisition of 132 km of 2D seismic over 3 separate CSG leads, undertaken by Mongolian seismic contractor, Microseismic LLC. The data obtained is now being processed and interpreted and has already facilitated the selection of a first well location.

The Utgal-1 Drilling Location

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A fully tested core-hole drilling program is about to commence. The company has hired Mongolian drilling contractor Erdenedrilling LLC to drill 2 coreholes (with an option for a third well) over the coming months. Australian and US personnel and equipment are supplementing Erdene in this exercise. To date, these contractors have performed to high CSG standards including safety, environmental and technical standards.

Non-core Assets

The Alaskan leases that the company acquired in the year were effectively distributed to shareholders through a transaction with fellow ASX listed company Entek Energy Ltd (now re-named XCD Energy Ltd) under which Elixir shareholders received a pro-rata distribution of shares in the latter.

This deal also led to Elixir's former Managing Director, Mr Dougal Ferguson, joining XCD Energy as its Managing Director. We would like to thank Dougal for his contribution to Elixir Energy. The transaction also marked further changes to our Board of Directors. Elixir's previous non-executive Directors, Mr Ray Barnes and Mr Scott Patrizi, retired and Richard Cottee and Stephen Kelemen were appointed as Chairman and Non-Executive Director.

Elixir still has some small leasehold interests in Colorado, but they do not have any market value and will expire in coming months.

The legal status of the company's long-time asset in France – the Moselle permit – has been unclear for some years. An application for extension of the Permit was lodged on 5 April 2018. In any event, the Board considers Moselle to be a non-core asset and is reviewing its options for this asset.

Looking Ahead

The results of the seismic survey and drilling will feed into an updated, independently verified resource estimation process around the start of the 2020 calendar year. A successful seismic survey and drilling program will thus lead to a booking of contingent resources – initially in only a small part of the PSC. This would be the first discovery of a gas accumulation in Mongolia.

The form of the 2020 exploration program will naturally rest on the technical results of the activities currently underway. The huge area of the PSC provides numerous target areas for further exploration using seismic, coreholes and stratigraphic wells.

Delineation work in CSG requires a pilot production test – the design of which is again contingent on the results of the current work. A successful test would provide the foundation for an initial reserve booking.

We look forward to further developing the Nomgon IX PSC over the next 12 months.

Neil Young

Managing Director

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Directors' Report

DIRECTORS

The names of the Directors of Elixir Energy Limited in office during the financial year and at the date of this report are:

Director	Position	Date appointed	Date resigned
Richard Cottee	Non-Executive Chairman	29 April 2019	-
Neil Young[(1)]	Managing Director	14 December 2018	-
Stephen Kelemen	Non-Executive Director	6 May 2019	-
Dougal Ferguson[(2)]	Non-Executive Director	15 April 2019	31 August 2019
Ray Barnes	Non-Executive Director	10 December 2014	26 April 2019
Scott Patrizi	Non-Executive Director	12 October 2016	6 May 2019

[(1)]Mr Neil Young was appointed Chief Executive Officer and Executive Director effective 14 December 2018 and became Managing Director on 15 April 2019.

[(2)] Mr Ferguson was Managing Director until 15 April 2019 when he became a Non-Executive Director.

Other than as stated above, each Director held office from 1 July 2018 until the date of this report.

INFORMATION ON DIRECTORS

Mr. Richard Cottee – Independent Non-Executive Chairman
Qualifications: BA/LLB (Hons)

Board Committees: Chair of the Remuneration Committee and a member of the Audit Committee

Mr Cottee was the Managing Director of coal seam gas (CSG) focused Queensland Gas Company (QGC) during its growth from a $20 million market capitalization junior explorer through to its acquisition by BG Group for $5.7 billion. QGC's CSG assets are now operated by Shell and produce gas that is sold to China and other LNG markets.

Originally a lawyer, Mr Cottee has spent the vast majority of his career in senior executive roles in the energy industry, including acting as CEO at CS Energy, NRG Europe, Central Petroleum and Nexus Energy.

A 32-year veteran of the industry, Mr Cottee is a strong business development professional and a graduate from The University of Queensland.

Other current Directorships of Australian listed public companies:
- State Gas Limited (ASX code: GAS) Executive Chairman,

Former Directorships of Australian listed public companies in the last three years:
- Central Petroleum Limited (ASX code: CTP) resigned 31 January 2019

Interests in securities in Group at the date of this report:
- 250,000 fully paid ordinary shares

Shareholders have approved the issue of the following securities that will be issued after the date of this report:
- 7,500,000 Listed Options exercisable at $0.0679 and expiring on 31 December 2020
- 7,500,000 Performance Rights C expiring 5 years from date of issue
- 7,500,000 Performance Rights D expiring 18 months from date of issue

Directors' Report (continued)

Mr Neil Young – Managing Director
Qualifications: MA (Hons)

Board Committees: Managing Director

Mr Young has more than twenty years experience in senior management positions in the upstream and downstream facets of the energy sector, focusing on business development, new ventures, gas marketing and general commercial functions.

He has worked for a range of companies in the UK and Australian including EY, Tarong Energy and Santos. Mr Young founded Golden Horde Ltd in 2011 with a view to exploring for gas on the Chinese border in Mongolia. He has also developed various new ventures in multiple countries including Kazakhstan, Japan and the USA.

Other current Directorships of Australian listed public companies:

- Nil

Former Directorships of Australian listed public companies in last three years:

- Nil

Interests in securities in Group at the date of this report:

- 19,760,809 fully paid ordinary shares
- 7,500,000 Performance Rights C expiring 5 years from date of issue, being 14 December 2023
- 10,000,000 Performance Rights D expiring 18 months from date of issue, being 13 June 2020

Mr Stephen Kelemen – Independent Non-Executive Director
Qualifications: B.Eng

Board Committees: Chair of Audit Committee and a member of the Remuneration Committee

Stephen has a diverse petroleum industry experience across reservoir, development, operations and exploration activities in CSG, conventional and unconventionals developed through his 40 years in the industry. Notably, Stephen led Santos' coal seam gas (CSG) team from its inception in 2004 and drove the growth in this area that allowed Santos to become one of Australia's leading CSG companies. An engineering graduate from Adelaide University, Stephen has served Santos for 38 years in multiple technical and leadership roles in his career.

Stephen is currently an Adjunct Professor at University of Queensland's Centre for Coal Seam Gas and Deputy Chair – Petroleum for Queensland Exploration Council. He also acts as a non-executive Director on the Boards of Galilee Energy Ltd (ASX: GLL) and Advent Energy Ltd (unlisted).

Other current Directorships of Australian listed public companies:

- Galilee Energy Ltd (ASX: GLL)

Former directorships of Australian listed public companies in last three years:

- Nil

Interests in securities in Group at the date of this report:

- Nil fully paid ordinary Shares

Shareholders have approved the issue of the following securities that will be issued after the date of this report:

- 5,000,000 Incentive Options exercisable at $0.10 and expiring 4 years after issue

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Directors' Report (continued)

Mr Dougal Ferguson – Non-Executive Director (resigned 31 August 2019)
Qualifications: B.Bus, GAICD

Board Committees: Company Secretary until 31 July 2019

Mr Ferguson has over 25 years of experience in senior management positions in listed upstream oil and gas for both domestic and international companies. Mr Ferguson has held senior positions with Salinas Energy Limited, ARC Energy Limited, Adelphi Energy Limited and Discovery Petroleum Limited, whilst also spending seven years in London with Premier Oil plc and Hess Corporation. He has gained broad commercial and technical experience working in business development and commercial roles in small to medium exploration and production companies.

Mr Ferguson has a commercial and business development background and is responsible for a broad range of activities in the Company, including identifying, sourcing and negotiating new venture projects, capital raising as required and administering the Company through all aspects of its operations. He led the recent restructure of Elixir whilst ensuring the good standing of the Company's assets in addition to securing two high impact new venture opportunities that have the potential to grow the asset base and add shareholder value.

Other current Directorships of Australian listed public companies:

- XCD Energy Limited (ASX: XCD) Managing Director appointed 15 April 2019)

Former Directorships of Australian listed public companies in last three years:

- Nil

Interests in securities at the date of his resignation:

- 16,592,666 fully paid ordinary Shares
- 1,000,000 Listed Options exercisable at $0.0679 and expiring 31 December 2020
- 1,000,000 Unlisted Options exercisable at $0.0329 and expiring 30 September 2019

COMPANY SECRETARY

Victoria Allinson (appointed 1 August 2019)
FCCA, AGIA

Vicky is a Fellow of The Association of Certified Chartered Accountants, a Fellow of the Governance Institute of Australia and an NSX Nominated Advisor. She has over 30 years' accounting and auditing experience, including senior accounting positions in a number of listed companies and was an audit manager for Deloitte Touche Tohmatsu. In addition, Vicky has gained professional experience while living and working in both Australia and the United Kingdom.

She is current Chief Financial Officer ("CFO"), NSX Nominated Advisor and Company Secretary of listed company, Asset Resolution Limited (NSX: ASS); and CFO and Company Secretary of listed company, Kangaroo Island Plantation Timbers Limited (ASX: KPT). Her previous experience has included being Company Secretary and CFO for a number of ASX listed companies, including: Safety Medical Products Ltd, Marmota Limited, Centrex Metals Ltd, Adelaide Energy Ltd, Enterprise Energy NL, and Island Sky Australia Ltd as well as a number of unlisted companies. In her role as Company Secretary, Vicky has assisted a number of companies to list on the ASX and NSX.

Vicky has experience in all sizes of business from sole traders to large companies, in a wide variety of business sectors. She is based in Adelaide, South Australia.

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Directors' Report (continued)

PRINCIPAL ACTIVITIES

Elixir Energy Limited and its subsidiaries ("Group") is an exploration company now 100% focussed on coal bed methane ("CBM") exploration and development in Mongolia. During the year the Group acquired Golden Horde Limited ("GOH") which was awarded a Production Sharing Contract in Mongolia in late 2018. During the year, the Group also acquired and then subsequently disposed of oil exploration leases in Alaska to XCD Energy Limited ("XCD"). Further details are provided in the Review of Operations.

DIVIDENDS

No dividends have been declared, provided for or paid in respect of the financial year ended 30 June 2019 (2018: Nil).

REVIEW OF OPERATIONS

Operating Results

For the financial year ended 30 June 2019, the Group recorded a net loss from continuing operations after tax of $2,454,263 (2018: $899,137). The loss was significantly more than last year as a result of a $355,205 loss on sale of asset, $852,803 higher share based payments and higher administration costs.

At 30 June 2019, the Group held cash totalling $4,354,678 (2018: $2,484,234).

Operations Review

During the year, the Group's primary focus was to finalise the acquisition of two new venture opportunities which were completed in late 2018. The Group then disposed of the Alaskan new venture opportunity to XCD to allow it to focus completely on its Mongolian CBM asset. Further details on the Mongolian assets are set out in the Managing Director's Report.

On 12 September 2018, the Group announced that Golden Horde Limited ("GOH") had been advised that the Mongolian Cabinet had approved the award of the Nomgon IX CBM PSC to GOH and a week later, that the PSC had been signed by the Mineral Resources and Petroleum Authority of Mongolia ("MRPAM"). This cleared the path for Elixir to exercise its option to acquire GOH and the acquisition of GOH was completed on 14 December 2018.

Concurrently, the Group announced that it had signed a Binding Terms Sheet to acquire three leases totalling 35,423 acres on the Alaskan North Slope. The Group completed the acquisition on 14 November 2018 and subsequently successfully bid for a further 10 leases comprising a further 114,310 acres (together "Project Peregrine").

On 29 November 2018, the Group entered into an Option Agreement with XCD in connection with its Alaskan assets. XCD exercised its option to acquire Project Peregrine and issued Elixir 185 million XCD shares, which the Group distributed to Elixir shareholders via an in-specie return of capital subsequent to the closing of the transaction. XCD also refunded the Group's cash costs associated with the 114,310 additional acres acquired over Project Peregrine. On 18 February 2019, XCD agreed to provide the Group with an interim bridging loan of US$500,000 to supplement the cash costs associated with the additional Project Peregrine lease costs; the loan was then repaid in full by the Group upon completion of the transaction with XCD.

The Group continues to hold a small working interest in the Petra Project (25%), a number of non-core leases have expired and at 30 June 2019 the Group had reduced its acreage position from approximately 4,686 net acreage to 76 net acreage.

Directors' Report (continued)

Changes in Capital Structure

On 20 September 2018, the Group undertook a placement of 33,000,000 ordinary shares raising $1.65 million (before costs).

On 9 November 2018, 1:6 bonus issue, resulting the issue of 41,316,360 shares.

On 14 December 2018, the Group announced an offer for a pro-rata rights issue of Listed Options on a one (1) for four (4) basis at a cost of 1c per Option, exercisable at 6.79 on or before 31 December 2020 raising $934,625 (before costs).

On 14 December 2018, the Group completed its acquisition of GOH, issuing 79,000,000 consideration shares.

On 14 December 2018, the Group issued a total of 10,000,000 ordinary shares on vesting of Class A, Class B, Class E and Class F Performance Rights (see Note 13 for details).

On 16 April 2019, the Group issued a total of 5,000,000 ordinary shares on vesting of Class F Performance Rights (see Note 13 for details).

On 24 May 2019, 97,440,807 shares were issued in a placement to professional and sophisticated investors, raising $3,507,869.

There were no other significant changes to the issued capital structure during the year.

Changes in parent entity's name

On 29 March 2019 Shareholders approved a name change from Elixir Petroleum Limited to Elixir Energy Limited.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than those events noted above, there were no other significant changes in the state of affairs of the Group during the year that requires separate disclosure.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

The following events occurred subsequent to 30 June 2019 that will have a material effect on the Group.

On 31 August 2019, Dougal Ferguson resigned as a director.

On 20 August 2019, Shareholders' approved the following resolutions at a general meeting:

1. Refreshed the Group's LR 7.1 placement capacity;
2. Ratify the recent placement of 38,976,323 shares;
3. Issue of 7,500,000 Listed Options, 7,500,000 Class C Performance Rights and 7,500,000 Class D Performance Rights to Mr Cottee;
4. Issue of 5,000,000 Incentive Options to Mr Kelemen;
5. Issue of 9,744,080 Listed Options to Joint Lead Managers;
6. Issue of 5,666,667 shares to advisors: and
7. Approve an Employee Incentive Securities Plan.

On 19 August 2019, 1,000,000 Unlisted Options were exercised at $0.0329.

There are no other events occurring after the end of the reporting period to disclose.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Refer to Review of Operations on likely developments and future prospects of the Group.

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Directors' Report (continued)

ENVIRONMENTAL REGULATIONS

The Group's operations are subject to significant environmental regulation in relation to exploration and production activities conducted by the Group in the countries in which it operates. The Group has a policy of exceeding or at least complying with its environmental performance obligations. During the financial year, the Group was not aware of any material breach of any particular environmental law or any other particular regulation in respect to its operating activities.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Elixir's Directors held during the year ended 30 June 2019, and the number of meetings attended by each Director.

Director	Directors' Meeting		Audit Committee		Remuneration Committee[7]	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
R.Cottee[1]	2	2	-	-	-	-
N. Young[2]	5	5	-	-	-	-
S. Kelemen[3]	1	1	-	-	-	-
D. Ferguson[4]	7	7	-	-	-	-
R Barnes[5]	5	5	2	2	-	-
S Patrizi[6]	5	5	2	2	-	-

(1) Mr Cottee was appointed on 29 April 2019.
(2) Mr Young was appointed on 14 December 2018
(3) Mr Kelemen was appointed on 6 May 2019
(4) Mr Ferguson resigned on 31 August 2019
(5) Mr Barnes resigned on 26 April 2019
(6) Mr Patrizi resigned on 6 May 2019
(7) No Remuneration Committee meetings were held during the financial year as there were not any matters to consider that were not agreed by the Board.

REMUNERATION REPORT (Audited)

This remuneration report outlines the Director and executive remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001 and its regulations. For the purposes of this report, Key Management Personnel ("KMP") of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the parent company..

Director	Position	Date appointed	Date resigned
Richard Cottee	Non-Executive Chairman	29 April 2019	-
Neil Young[1]	Managing Director	14 December 2018	-
Stephen Kelemen	Non-Executive Director	6 May 2019	-
Dougal Ferguson[2]	Non-Executive Director	15 April 2019	31 August 2019
Ray Barnes	Non-Executive Director	10 December 2014	26 April 2019
Scott Patrizi	Non-Executive Director	12 October 2016	6 May 2019

Executives	Position	Date appointed	Date resigned
Dougal Ferguson	Company Secretary	15 April 2019	31 July 2019
Victoria Allinson	Company Secretary	1 August 2019	-

(1)Mr Neil Young was appointed Chief Executive Officer and Executive Director effective 14 December 2018 and Managing Director effective 15 April 2019.

Directors' Report (continued)

(2) Mr Ferguson was Managing Director until 15 April 2019 when he became a Non-Executive Director.

(a) Remuneration governance

The remuneration committee of the board of Directors of the Company is responsible for determining and reviewing remuneration arrangements for the Directors and key management personnel. The remuneration committee assesses the appropriateness of the nature and amount of remuneration of key management personnel on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of Directors and key management personnel.

(b) Remuneration philosophy

The performance of the Company, among other things, depends upon the quality of its Directors and management. To prosper, the Company must attract, motivate and retain industry skilled Directors and key management personnel. To this end, the charter adopted by the remuneration committee aims to align rewards with achievement of strategic objectives. The remuneration framework applied provides for a mixture of fixed and variable pay and a blend of short and long term incentives as appropriate.

Currently no remuneration consultants are used by the Group in formulating remuneration policies.

(c) Remuneration structure

In accordance with best practice corporate governance, the structure of Non-Executive Director and key management personnel remuneration is separate and distinct.

Non-Executive Directors

Non-executive Directors Fees

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders in a general meeting. At the Company's Annual General Meeting held on 29 November 2011, the shareholders of the Company approved that the aggregate amount of Director fees payable to Non-Executive Directors of the Company be set at $500,000 per annum in total. Currently, the Non-Executive Chairman fees are $72,000 per annum (2018: $45,000) and Non-Executive director fees are $36,000 per annum (2018: $36,000).

The Group's policy is to remunerate Non-Executive Directors at market rates (for comparable companies) for time, commitment and responsibilities. Cash fees for Non-Executive Directors are not linked to the performance of the Group. However to align Directors' interests with shareholders' interests, Directors are encouraged to hold shares in the Company.

Retirement benefits and allowances

No retirement benefits or allowances are paid or payable to Directors of the Company (other than statutory or mandatory superannuation contributions, where applicable).

Key Management Personnel

Base pay

KMP receive a competitive level of base pay that comprises the fixed (unrisked) component of their pay and rewards. Base pay for senior KMP is reviewed annually to ensure market competitiveness. There is no guaranteed base pay increases included in any senior KMP contracts.

Short-term incentives

Payment of short-term incentives is at the sole and absolute discretion of the remuneration committee. The remuneration committee assesses the achievement of key performance milestones to determine bonus payments. These milestones require performance in relation to key strategic, non-financial measures linked to drivers of performance in future reporting periods.

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Directors' Report (continued)

Short-term bonus payments may be adjusted up or down in line with under or over achievement relative to target performance levels at the discretion of the remuneration committee. For the year ended 30 June 2019, the previous Managing Director (Mr Dougal Ferguson) was paid a short-term incentive payment of $78,000 (2018: $26,000).

There have been no forfeitures of bonuses by KMP during the current or prior periods and no cash bonuses remained unvested at year end.

Long term Incentive - Share-based compensation

Options over shares in the Company and Performance Rights may be granted from time to time and are required to be approved by shareholders where option over shares or Performance Rights are issued to Directors. Participation in any incentive scheme is at the board's discretion and no individual has a contractual right to participate in the incentive scheme or to receive any guaranteed benefits. Options or Performance Rights granted under incentive schemes carry no dividend or voting rights.

The Incentive Plan includes rules to prevent participants entering into transactions to remove the "at risk" aspect of the unvested Options or Performance Rights without the approval of the board.

(d) Options and performance rights granted as part of remuneration

Details of Options or Performance Rights over ordinary shares in the Company provided as remuneration to each Director and each of the KMP of the Group in the current year are set out below.

Performance Rights

There following Rights were issued or approved by Shareholders as remuneration during the current and prior year.

Grant date[1]	Number	Vesting Conditions	Exercise Price	Expiry date	Value per security at grant date
20 December 2017	2,000,000	Class A Milestone achieved	n/a	13 December 2018	$0.069
20 December 2017	2,000,000	Class B Milestone achieved	n/a	13 December 2018	$0.069
14 December 2018	7,500,000	Class C Milestone achieved	n/a	13 December 2023	$0.042
14 December 2018	10,000,000	Class D Milestone achieved	n/a	13 June 2020	$0.042
14 December 2018	2,500,000	Class E Milestone achieved	n/a	13 December 2020	$0.042
14 December 2018	2,500,000	Class F Milestone achieved	n/a	13 June 2020	$0.042
20 August 2019[2]	7,500,000	Class C Milestone achieved	n/a	5 years after issue	$0.046
20 August 2019[2]	7,500,000	Class D Milestone achieved	n/a	18 months after issue	$0.046

Listed Options

There following Listed Options were issued or approved by Shareholders as remuneration during the current and prior year.

Grant date[1]	Number	Vesting Conditions	Exercise Price	Expiry date	Value per security at grant date
20 August 2019[2]	7,500,000	Vested	$0.0679	31 December 2020	$0.019

Directors' Report (continued)

Incentive Options

There following Incentive Options were issued or approved by Shareholders as remuneration during the current (2018: nil).

Grant date[1]	Number	Vesting Conditions	Exercise Price	Expiry date	Value per security at grant date
20 August 2019[2]	5,000,000	Vested	$0.10	4 years after date issued	$0.042

[1]Grant date is the earlier of commitment date or date approved by Shareholders.

[2]On the 20 August 2019, Shareholders approved the following securities that vest once vesting conditions are achieved, the securities have been valued but have not been issued at the date of this report:

- 7,500,000 Class C Performance Rights to be issued to Mr Cottee;
- 7,500,000 Class D Performance Rights to be issued to Mr Cottee;
- 7,500,000 Listed Option to be issued to Mr Cottee; and
- 5,000,000 Incentive Option to be issued to Mr Kelemen.

When exercisable, each Option and Performance Right is convertible into one ordinary share of the Company. Further information on the Options and Performance Rights is set out in Note 14 of the Financial Statements.

Group performance

At present, no other remuneration for KMP is directly linked to common financial measures of the Group's performance.

The table below shows various commonly used measures of performance for the 2015 to 2019 financial years:

	Year ended 30 June				
	2015	2016	2017	2018	2019
	$	$	$	$	$
Revenues and finance income	26,768	5,167	17,692	33,809	28,235
(Loss) after tax	(2,124,605)	(735,704)	(3,417,538)	(899,137)	(2,454,263)
Share price at start of year	0.16	0.05	0.03	0.03	0.06
Share price at end of year	0.05	0.03	0.03	0.06	0.04
Total Shareholder Return (TSR)	(0.16)	(0.03)	(0.02)	0.03	(0.02)
Loss per share	(0.050)	(0.013)	(0.022)	(0.004)	(0.007)

(e) Remuneration of directors and Key Management Personnel ("KMP") of the group for the current and previous financial year

The following tables show details of the remuneration received by the Group's KMP for the current and previous years:

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Directors' Report (continued)

2019	Short-term benefits			Post-employment benefits		Share-based payments		
	Cash salary and fees	Bonus	Other	Super-annuation	Options	Perform-ance rights	**Total**	Perfor-mance Related
	$	$	$	$	$	$	$	%
Non-Executive Directors								
Richard Cottee[1]	10,959	-	-	1,041	142,500	31,878	186,378	93.56%
Stephen Kelemen[2]	5,516	-	-	-	679	-	6,195	10.96%
Ray Barnes[3]	37,500	-	-	-	-	-	37,500	-
Scott Patrizi[4]	27,000	-	-	-	-	-	27,000	-
Subtotal Non-Executive Directors	**80,975**	**-**	**-**	**1,041**	**143,179**	**31,878**	**257,073**	**12.40%**
Executive Director					-			
Neil Young[5]	122,785	-	11,196	12,481	-	159,645	306,107	52.15%
Dougal Ferguson[6]	196,427	78,000	70,187	17,968	-	389,211	751,793	62.15%
Subtotal other executives	**319,212**	**78,000**	**81,383**	**30,449**	**-**	**548,856**	**1,057,900**	**51.88%**
Total KMP	400,187	78,000	81,383	31,490	143,179	580,734	1,314,973	44.16%

2018	Short-term benefits			Post-employment benefits		Share-based payments		
	Cash salary and fees	Bonus	Other	Super-annuation	Options	Perform-ance Rights	Total	Perform-ance Related
	$	$	$	$	$	$	$	%
Non-Executive Directors								
Ray Barnes	42,750	-	-	-	-	-	42,750	-
Scott Patrizi	8,000	-	-	-	-	-	8,000	-
Sam Willis[7]	33,000	-	-	-	-	-	33,000	-
Subtotal Non-Executive Directors	**83,750**	**-**	**-**	**-**	**-**	**-**	**83,750**	**-**
Executive Director								-
Dougal Ferguson[6]	237,443	26,000	27,397	22,557	4,926	96,789	415,112	30.8%
Subtotal other executives	**237,443**	**26,000**	**27,397**	**22,557**	**4,926**	**96,789**	**415,112**	**30.8%**
Total KMP	**321,193**	**26,000**	**27,397**	**22,557**	**4,926**	**96,789**	**498,862**	**25.6%**

(1) Mr Cottee was appointed as Non-Executive Chairman on 29 April 2019.
(2) Mr Kelemen was appointed as a Non-Executive Director on 6 May 2019. At 30 June 2019 $484 (2018 nil) of these fees were payable.
(3) Mr Barnes resigned as Non-Executive Director on 26 April 2019.
(4) Mr Patrizi resigned as a Non-Executive Director on 6 May 2019.
(5) Mr Young was appointed as Chief Executive Office on 14 December 2018 and then as Managing Director on 15 April 2019. Mr Young accrued $11,196 (2018 nil) of annual leave during the year.
(6) Mr Ferguson ceased the role of Managing Director on 15 April 2019. Mr Ferguson received $26,855 (2018: $27,397) annual leave and $43,333 termination payout at 30 April 2019. On 15 April 2019, Mr Ferguson was appointed a Non-Executive Director and subsequently resigned on

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Directors' Report (continued)

31 August 2019. During the period 15 April to 30 June 2019, Non-Executive, CFO and Company Secretary fees of $25,000 (2018: nil) were Invoiced by Shenton James Pty Ltd of which Dougal Ferguson is a Director. At 30 June 2019 $11,000 (2018: nil) of these fees were payable

(7) Mr Willis resigned as a Non-Executive Director on 30 October 2017.

(f) Service agreements

Remuneration and other terms of employment for the executives are formalised in service agreements. These agreements specify the components of remuneration, benefits and notice periods. The material terms of service agreements with key management personnel are noted as follows:

Name	Term of agreement and notice period	Base salary including superannuation	Termination payment
Mr Dougal Ferguson(1)	No fixed Term; 3 months(2)	$260,000	3 months
Mr Neil Young (4)	No fixed term; 3 months	$270,000	6 months(3)
Mr Dougal Ferguson(5)	15 April 2019 to 30 September 2019; 2 months(2)	$7,000 monthly	Outstanding capped to 4 months(3)

(1) Mr Ferguson's service agreement commenced 1 May 2014. The contract includes a provision for a cash performance based bonus of up to 40% of the employment contract. Performance targets are set annually and for the year ended 30 June 2018, a number of these targets were met and a payment of $78,000 cash bonus paid on 14 November 2018. Mr Ferguson also received 2,500,000 Class E and 2,500,000 Class F performance rights (Note 14). This agreement was terminated on 15 April 2019 when Mr Ferguson resigned.

(2) The notice period applies only to the Company.

(3) Notice period or termination benefit in lieu of notice (on behalf of the employer), other than for gross misconduct.

(4) Mr Young's service agreement commenced 17 December 2018 with a base salary of $250,000. On 15 April 2019 the agreement was updated to $270,000 base salary, all other clauses remain unchanged.

(5) Mr Ferguson via his controlled entity Shenton James Pty Ltd, signed a new agreement on 15 April 2019 to provide services as CFO and Company Secretary. His Non-Executive Director fees are invoiced via Shenton James Pty Ltd. Mr Ferguson resigned as Company secretary on 31 July 2019 and as CFO on the 31 August 2019.

(g) Equity instruments held by Key Management Personnel

Options and Performance Rights holdings

The number of Options over ordinary shares and Performance Rights held by Key Management Personnel during the financial year are as follows:

Listed Options

Director	Balance at start of the year	Acquired	Other change	Balance at end of the year	Vested and exerciseable	Vested and unexercisable
R.Cottee(3)	-	-	-	-	-	-
N. Young	-	-	-	-	-	-
S. Kelemen	-	-	-	-	-	-
D. Ferguson(1)	-	1,000,000	-	1,000,000	1,000,000	-
R Barnes(1)(2)	-	178,016	(178,016)	-	-	-
S Patrizi(1)(2)	-	364,583	(364,583)	-	-	-
Total	**-**	**1,542,599**	**(542,599)**	**1,000,000**	**1,000,000**	**-**

(1) Options were acquired as part of the Non-renounceable pro-rata offer dated 14 December 2018.

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Directors' Report (continued)

(2) Mr Barnes and Mr Patrizi resigned during the year and are no longer KMPs.

(3) On 20 August 2019, Shareholders approved for 7,500,000 Listed Option to be issued to Mr Cottee that vest once vesting conditions are achieved, the securities have been valued but have not been issued at the date of this report.

Listed Options terms and conditions:

(i) Exercise price $0.0679
(ii) Vesting date is 12 months after date of grant
(iii) Expire on 31 December 2020

Unlisted Options

Director	Balance at start of the year	Granted as compens-ation	Other change	Balance at end of the year	Vested and exercisable	Vested and unexercis-able
R.Cottee	-	-	-	-	-	-
N. Young	-	-	-	-	-	-
S. Kelemen	-	-	-	-	-	-
D. Ferguson	1,000,000	-	-	1,000,000	1,000,000	-
R Barnes(1)	1,000,000	-	(1,000,000)	-	-	-
S Patrizi(1)	1,000,000	-	(1,000,000)	-	-	-
Total	**3,000,000**	**-**	**(2,000,000)**	**1,000,000**	**1,000,000**	**-**

(1) Mr Barnes and Mr Patrizi resigned during the year and are no longer KMPs

Unlisted Options terms and conditions:

(i) Exercise price $0.0329
(ii) Expire on the 30 September 2019

Incentive Options

Director	Balance at start of the year	Granted as compens-ation	Lapsed	Balance at end of the year	Vested and exercisable	Vested and unexercis-able
R.Cottee	-	-	-	-	-	-
N. Young	-	-	-	-	-	-
S. Kelemen(1)	-	-	-	-	-	-
D. Ferguson	3,000,000	-	(3,000,000)	-	-	-
R Barnes	-	-	-	-	-	-
S Patrizi	-	-	-	-	-	-
Total	**3,000,000**	**-**	**(3,000,000)**	**-**	**-**	**-**

(1) On 20 August 2019, Shareholders approved 5,000,000 Incentive Option to be issued to Mr Kelemen that vest once vesting conditions are achieved, the securities have been valued but have not been issued at the date of this report:

Terms and conditions:

(i) Exercise price $0.10 per Incentive Option
(ii) Vesting date is 12 months after date of grant
(iii) Expire on the earlier of:
    a. Expired date being 4 years after date of grant; or
    b. when employee ceases employment

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Directors' Report (continued)

Performance Rights

Director	Balance at start of the year	Granted as compens-ation	Excercised	Balance at end of the year	Vestings (Milestone A to F)
R.Cottee[1]	-	-	-	-	-
N. Young[2]	-	17,500,000	-	17,500,000	C and D
S. Kelemen	-	-	-	-	-
D. Ferguson[3]	4,000,000	5,000,000	(9,000,000)	-	-
R Barnes	-	-	-	-	-
S Patrizi	-	-	-	-	-
Total	**4,000,000**	**22,500,000**	**(9,000,000)**	**17,500,000**	**-**

(1) Mr Cottee is to be granted as compensation 15,000,000 Performance Rights following Shareholders approval on 20 August 2019. The Rights have not yet been issued.

(2) Mr Young received 17,500,000 Performance Rights on his appointment as a director.

(3) Mr Ferguson converted the following rights into shares once milestones were achieved:

- 2,000,000 Class A following the completion of the proposed acquisition of Golden Horde Limited.
- 2,000,000 Class B on the certification of a Petroleum Resource Management System (PRMS) certified prospective resource of coal bed methane of greater than one trillion cubic feet within the Nomgon IX PSC in Mongolia.
- 2,500,000 Class E on the acquisition of at least 40,000 additional acres of leases within the NPRA.
- 2,500,000 Class F following Board approval of a corporate transaction that introduces new capital or alternative funding to progress the exploration of the Alaskan Leases.

Performance Rights Milestones and terms:

a. Class A is completion of the proposed acquisition of Golden Horde Limited.

b. Class B is the certification of a Petroleum Resource Management System (PRMS) certified prospective resource of coal bed methane of greater than one trillion cubic feet within the Nomgon IX PSC in Mongolia.

c. Class C – Final investment decision approved by the Board and the Mongolian Government or a pilot production test within the PSC within 5 years of date of issue.

d. Class D – Drilling and testing of two Coal Bed Methane wells within 18 months of date of issue.

e. Class E – Acquisition of at least 40,000 additional acres of leases within the NPRA within 12 months of date of issue.

f. Class F – Board approval of a corporate transaction that introduces new capital or alternative funding to progress the exploration of the Alaskan Leases within 18 months of date of issue.

g. No voting or dividend rights.

(h) Shareholdings

The number of ordinary shares in Elixir Energy Limited held by each KMP of the Group during the financial year is as follows:

Director	Balance at start of the year	Pro-rata issue[4]	Other changes	Appointed/ (resigned) as KMP	Balance at end of the year
R.Cottee[1]	-	-	250,000	-	250,000
N. Young[2]	-	-	287,773	19,473,036	19,760,809
S. Kelemen	-	-	-	-	-
D. Ferguson[4][3]	6,508,000	1,084,666	9,000,000	-	16,592,666
R Barnes[4][5]	610,000	101,666	-	(711,666)	-
S Patrizi[4][5]	1,250,000	208,333	-	(1,458,333)	-
Total	**8,368,000**	**1,394,665**	**9,537,773**	**17,303,037**	**36,603,475**

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Directors' Report (continued)

(1) Mr Cottee acquired 250,000 on market during the period since his appointment on 29 April 2019. The shares are held in Mandala Superannuation Pty Ltd, a company controlled by Mr Cottee.

(2) Mr Young was appointed as a director on 14 December 2018 holding 19,473,036 shares, in addition he acquired 287,733 on-market during the year.

(3) Mr Ferguson converted 9,000,000 Performance Shares into 9,000,000 shares.

(4) Shares were issued under pro-rata share issue dated 9 November 2018.

(5) Mr Barnes and Mr Patrizi resigned during the year and are no longer KMPs

(i) Loans to Key Management Personnel

No loans were provided to the KMP or to any of their associates.

(j) Other transactions with Key Management Personnel

There were no other transactions with KMP during the financial year.

Voting of Shareholders at Last Year's Annual General Meeting

The adoption of the remuneration report for the financial year ended 30 June 2018 was put to shareholders of the Company at the Annual General Meeting (AGM) held on 28 November 2018. The resolution was passed by a show of hands and the proxy votes were 96% in favour. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

This is the end of the audited remuneration report.

SHARE OPTIONS

At the date of this report the following Options over unissued ordinary shares are on issue.

Issue date	Number	Exercise price	Expiry	Vesting
Listed Options				
29 January 2019	17,210,055	$0.0679	31 December 2020	Vested
1 March 2019	76,252,482	$0.0679	31 December 2020	Vested
Unlisted Options				
26 August 2016	2,000,000	$0.0329	30 September 2019	Vested
12 October 2016	5,000,000	$0.0329	30 September 2019	Vested
Total	**100,462,537**			

1,000,000 Unlisted Options were converted into Shares at $0.0329 on 19 August 2019.

PERFORMANCE RIGHTS

At the date of this report the following Performance Rights are on issue.

Grant date	Number	Exercise price	Expiry	Vesting
Class C				
17 December 2018	7,500,000	$nil	16 December 2023	(c)
Class D				
17 December 2018	10,000,000	$nil	16 June 2020	(d)
Total	**17,500,000**			

Performance Rights Milestones and terms:

a. Class A is completion of the proposed acquisition of Golden Horde Limited.
b. Class B is the certification of a Petroleum Resource Management System (PRMS) certified prospective resource of coal bed methane of greater than one trillion cubic feet within the Nomgon IX PSC in Mongolia.
c. Class C – Final investment decision approved by the Board and the Mongolian Government or a pilot production test within the PSC within 5 years of date of issue
d. Class D – Drilling and testing of two Coal Bed Methane wells within 18 months of date of issue

Directors' Report (continued)

e. Class E – Acquisition of at least 40,000 additional acres of leases within the NPRA within 12 months of date of issue
f. Class F – Board approval of a corporate transaction that introduces new capital or alternative funding to progress the exploration of the Alaskan Leases within 18 months of date of issue
g. No voting or dividend rights

15,000,000 Performance Rights were converted into ordinary shares during the year (2018: nil) and up to the date of this report.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

During the year, the Company paid a premium of $13,187 (2018: $14,125) in respect of a contract insuring the Directors and Officers of Elixir against liabilities incurred as such a Director or Officer of the Company to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the insured liabilities and the amount of the premium. The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an Officer or auditor of the Company or of any related body corporate against a liability incurred as such an Officer or auditor.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of the court under section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Company or to intervene in any proceeding to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.
The Group was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

The Company may deploy the Group's auditors for non-audit services. The auditors were not engaged to provide any services other than audit and tax services during the 30 June 2019 financial year (refer Note 17). The Directors are satisfied that the auditor has complied with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's independence declaration is included on page 22 of the financial report.
Signed in accordance with a resolution of the Directors made pursuant to s.298 (2) of the *Corporations Act 2001.*

Neil Young
Managing Director
Adelaide, South Australia

27 September 2019

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DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF ELIXIR ENERGY LIMITED

As lead auditor of Elixir Energy Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Elixir Energy Limited and the entities it controlled during the period.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 27 September 2019

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INDEPENDENT AUDITOR'S REPORT

To the members of Elixir Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Elixir Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Accounting for exploration and evaluation assets

Key audit matter	How the matter was addressed in our audit
As disclosed in Note 7 to the Financial Report, the carrying value of capitalised exploration and evaluation expenditure represents a significant asset of the Group. Refer to Note 28(f) and Note 7 of the Financial Report for a description of the accounting policy and significant judgements applied to capitalised exploration and evaluation expenditure. In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources (AASB 6), the recoverability of exploration and evaluation expenditure requires significant judgment by management in determining whether there are any facts or circumstances that exist to suggest that the carrying amount of this asset may exceed its recoverable amount. As a result, this is considered a key audit matter.	Our audit procedures in respect of this area included, but were not limited to the following: • Obtaining a schedule of the area of interest held by the Group and assessing whether the rights to tenure of this area of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the area of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and directors' minutes; • Considering whether the area of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Verifying, on a sample basis, exploration and evaluation expenditure capitalised during the year for compliance with the recognition and measurement criteria of AASB 6; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Note 7 and Note 28(f) to the Financial Report.

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Valuation of share based payments

Key audit matter	How the matter was addressed in our audit
During the financial year ended 30 June 2019, the Group issued performance rights and options to consultants and key management personnel, which have been accounted for as share-based payments as disclosed in note 14. Refer to Note 28(l) of the financial report for a description of the accounting policy and Note 14 for the significant estimates and judgements applied to these arrangements. Share-based payments are a complex accounting area and due to the judgemental estimates used in determining the fair value of the share-based payments, we consider the Group's calculation of the share-based payment expense to be a key audit matter.	Our procedures included, but were not limited to the following: • Reviewing relevant supporting documentation to obtain an understanding of the contractual nature and terms and conditions of the share-based payment arrangements; • Reviewing management's calculation of the fair value of the share-based payments granted, considering the appropriateness of the valuation models used and assessing the valuation inputs; • Involving our valuation specialists, to assess the reasonableness of management's valuation inputs in respect to volatility; • Assessing the allocation of the share-based payment expense over the expected vesting period; and • Assessing the adequacy of the related disclosures in Note 28(f) and Note 14 to the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 20 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Elixir Energy Limited, for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

Jarrad Prue

Director

Perth, 27 September 2019

Directors' Declaration

In the Directors' opinion:

- the financial statements and accompanying notes set out on pages 28 to 67 are in accordance with the Corporations Act 2001, including:
- complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
    - giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the financial year ended on that date.
    - there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and
- the financial statements and accompanying notes are presented in compliance with IFRS and interpretations adopted by the International Accounting Standards Board.
- the remuneration disclosures set out in the Directors' report (as part of the audited remuneration report) for the year ended 30 June 2019 comply with section 300A of the Corporations Act 2001; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group identified in Note 20 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 20.

The Directors have been given the declarations by the chipef operating officer required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the Directors.

Neil Young
Managing Director
Adelaide, South Australia
27 September 2019

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Revenue from continuing operations			
Interest Income	1	**28,235**	33,809
(Loss)/gain on sale of assets	8	**(355,205)**	-
Expenses			
Depreciation expense		**(970)**	(1,176)
Lease operating costs		**(8,024)**	(8,334)
Foreign exchange gain/(loss)		**(15,965)**	(2,760)
Share based payments expense	14	**(978,715)**	(125,912)
New ventures and business development	2	**(82,147)**	(238,342)
Administration expenses	2	**(1,041,472)**	(556,422)
		(2,454,263)	(899,137)
Loss before income tax		**(2,454,263)**	(899,137)
Income tax expense	3	**-**	-
Loss attributable to owners of the Company		**(2,454,263)**	(899,137)
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Foreign currency translation differences		**2,462**	(775)
Other comprehensive income/(loss) for the year, net of tax		**2,462**	(775)
Total comprehensive loss for the year		**(2,451,801)**	(899,912)
Net loss attributable to:			
Members of the parent entity		**(2,451,801)**	(899,137)
		(2,451,801)	(899,137)
Total comprehensive loss attributable to the owners of Elixir Energy Limited		**(2,451,801)**	(899,912)
		(2,451,801)	(899,912)
Loss per share for the year attributable to Shareholders			
Basic and diluted (loss) per share (cents)	18	**(0.74)**	(0.43)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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Consolidated Statement of Financial Position

As at 30 June 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Assets			
Current assets			
Cash and cash equivalents	4	**4,354,678**	2,484,234
Other receivables	5	**69,783**	21,056
Total current assets		**4,424,461**	2,505,290
Non-current assets			
Trade and other receivables	5	**828,178**	783,735
Property, plant and equipment		**1,380**	3,528
Deferred exploration and evaluation expenditure	7	**3,444,364**	-
Total non-current assets		**4,273,922**	787,263
Total assets		**8,698,383**	3,292,553
Liabilities			
Current liabilities			
Trade and other payables	9	**352,064**	102,486
Provisions	10	**839,375**	858,708
Total current liabilities		**1,191,439**	961,194
Total liabilities		**1,191,439**	961,194
Net Assets		**7,506,944**	2,331,359
Equity			
Issued capital	11	**79,232,841**	73,658,419
Reserves	12	**2,626,785**	571,359
Accumulated Losses	12	**(74,352,682)**	(71,898,419)
Total equity		**7,506,944**	2,331,359

The above consolidated financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2019

	Share Capital		Reserves			
	Ordinary Share Capital $	Accumulated Losses $	Share Based Payment Reserve $	Listed Options $	Foreign Currency Translation Reserve $	Total $
Balance at 1 July 2017	72,162,176	(70,999,282)	344,379	-	101,842	1,609,115
Comprehensive income						
Loss for the year	-	(899,137)	-	-	-	(899,137)
Exchange differences on translation of foreign operations	-	-	-	-	(775)	(775)
Total comprehensive income/(loss) for the year	-	(899,137)	-	-	(775)	(899,912)
Transactions with owners, in their capacity as owners, and other transfers						
Options expensed	-	-	4,926	-	-	4,926
Performance rights expensed	-	-	120,986	-	-	120,986
Shares issued	1,782,500	-	-	-	-	1,782,500
Share issue costs	(286,256)	-	-	-	-	(286,256)
Total transactions with owners and other transfers	1,496,244	-	125,912	-	-	1,622,156
Balance at 1 July 2018	73,658,419	(71,898,419)	470,291	-	101,068	2,331,359
Comprehensive income						
Loss for the year	-	(2,454,263)	-	-	-	(2,454,263)
Exchange differences on translation of foreign operations	-	-	-	-	2,462	2,462
Total comprehensive income/(loss) for the year	-	(2,454,263)	-	-	2,462	(2,451,801)
Transactions with owners, in their capacity as owners, and other transfers						
Share Based expenses	-	-	978,715	-	-	978,715
Options issued	-	-	-	934,626	-	934,626
In-specie distribution	(1,665,000)	-	-	-	-	(1,665,000)
Shares	7,922,869	-	-	-	-	7,922,869
Security issue costs	(683,447)	-	185,138	(45,515)	-	(543,824)
Total transactions with owners and other transfers	5,574,422	-	1,163,853	889,111	-	7,627,386
Balance at 30 June 2019	**79,232,841**	**(74,352,682)**	**1,634,144**	**889,111**	**103,530**	**7,506,944**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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Consolidated Statement of Cash Flows

For the year ended 30 June 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Cash flows from operating activities			
Payments to suppliers and employees		**(961,005)**	(753,042)
Net cash (used in) operating activities	16a	**(961,005)**	(753,042)
Cash flows from investing activities			
Payments for exploration and evaluation		**(761,786)**	(179,482)
Purchase of petroleum leases		**(3,446,875)**	-
Purchase of exploration bonds		**(423,031)**	-
Sale of petroleum licences		**1,179,291**	-
Interest received		**32,235**	29,989
Interest paid		**-**	-
Purchase of property, plant and equipment		**(969)**	-
Net cash (used in) investing activities		**(3,421,135)**	(149,493)
Cash flows from financing activities			
Proceeds from issues of shares		**5,157,869**	1,600,000
Proceeds from issues of listed options		**934,626**	-
Payments for share issue costs		**(447,824)**	(103,756)
Proceeds from borrowings		**700,000**	-
Repayment of borrowing		**(48,993)**	-
Net cash provided by financing activities		**6,295,678**	1,496,244
Net increase/(decrease) in cash held		**1,913,538**	593,709
Cash and cash equivalents at beginning of financial year	4	**2,484,234**	1,893,285
Effect of exchange rates on cash holdings in foreign currencies		**(43,094)**	(2,760)
Cash and cash equivalents at end of financial year	4	**4,354,678**	2,484,234

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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Notes to the Consolidated Financial Statements

	Note	Consolidated Group 2019 $	2018 $
1. Revenue and Other Income			
Revenue from continuing operations			
Other revenue			
Interest received		**28,235**	33,809
Total revenue		**28,235**	33,809
2. Expenses			
Loss before income tax includes the following specific items:			
Loss of sale of assets			
Loss on the sale of assets	8	**355,205**	-
Total loss		**355,205**	-
Share Based Payments Expense			
Options		**143,179**	4,926
Performance Rights		**835,536**	120,986
Total Share Based Payments Expense	14	**978,715**	125,912
Administration and office costs			
Corporate compliance		**240,877**	78,383
Corporate management costs		**513,544**	401,778
Rent of office space		**27,500**	24,300
General administration		**259,551**	51,962
Total administration and office costs		**1,041,472**	556,422
New ventures and business development			
New ventures – Mongolia		**80,245**	168,947
New ventures – Others		**1,902**	19,395
Corporate advisory		**-**	50,000
Total new ventures and business development		**82,147**	238,342

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Notes to the Consolidated Financial Statements

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		Note	Consolidated Group 2019 $	2018 $
3.	**Taxation**			
(a)	Income Tax Expense			
	Current Tax		-	-
	Deferred tax		-	-
	Income tax expense		-	-
(b)	Reconciliation of income tax expense to prima facie tax payable			
	Profit / (Loss) before income tax		**(2,454,263)**	(899,137)
	Income tax expense / (benefit) at 27.50% (30 June 2018: 30%)		**(674,922)**	(269,741)
	Tax effects of amounts which are not deductible (taxable) in calculating taxable income			
	- Foreign tax losses not recognised		-	5,541
	- Tax losses and other timing differences for which no deferred tax asset has been recognised		**486,235**	225,167
	- Permanent differences arising from non-allowable items		**187,948**	38,126
	- Effect of foreign tax differential		**739**	907
	Income tax attributable to entity		-	-
	Unrecognised deferred tax assets			
	Tax losses		**10,573,856**	10,087,621
	Unrealised foreign exchange gains / losses		**31,059**	30,320
	Capital Raising Costs		**329,642**	141,694
	Provisions and accruals		**287,149**	298,030
	Total deferred tax assets		**11,221,706**	10,557,665
	Unrecognised deferred tax liability			
	Unrealised foreign exchange gains		-	-
	Exploration deductions		-	-
	Total deferred tax liability		-	-
	Net deferred tax assets not recognised		**11,221,706**	10,557,665

Significant accounting judgment

The Group has carried forward tax losses which have not been recognised as deferred tax assets as it is not considered sufficiently probable that these losses will be recouped by means of future profits taxable in the appropriate jurisdictions.

Taxation of oil and gas activities in the US allows a number of alternative treatments which are not available under Australian taxation legislation. In particular, companies may elect to;

- claim an immediate deduction for Intangible Drilling Costs ("IDC"); and

Notes to the Consolidated Financial Statements

- must use either the cost or percentage depletion method, whichever yields the largest tax deduction, when calculating applicable tax deductions in relation to the entities economic interest in its oil and gas properties.

The election to expense IDC applies to all expenditures incident to and necessary for the drilling of wells and the preparation of wells for the production of oil or gas. Once the election to expense IDC is made, the election is binding upon the taxpayer for the first taxable year for which it is effective and for all subsequent taxable years.

At reporting date a determination had not been made as to whether the cost or percentage depletion method would apply for the current years US income tax calculation. The directors have not recognised a deferred tax asset or liability in respect of this potential difference in the tax base of these properties as they do not believe it is capable of being reliably estimated at reporting date.

	Note	Consolidated Group 2019 $	2018 $
4. Cash and Cash Equivalents			
Cash at bank and on hand		**4,354,678**	2,484,234

Risk Exposure
Refer to Note 26 for details of the Group's exposure to foreign exchange risk and interest rate risk in relation to cash and cash equivalents

	Note	Consolidated Group 2019 $	2018 $
5. Other Receivables			
Current			
GST Receivable		**44,963**	11,459
Interest Receivable		**-**	3,820
Other		**12,266**	-
Prepaid Insurances		**12,554**	5,777
		69,783	21,056
Non-Current			
Performance Bond (US Operations)		**828,178**	783,735

Credit risk
The Group has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for and mentioned within Note 10. The class of assets described as Other Receivables is considered to be the main source of credit risk related to the Group. Due to the nature of these receivables (cash backed bond), their carrying value is assumed to approximate their fair value.

Impaired trade receivables
The Group's receivables (not subject to provisional pricing) which are measured at amortised cost, are short term and the Group has strong risk management policies in place to reduce any exposure.

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Notes to the Consolidated Financial Statements

	Note	Consolidated Group 2019 $	2018 $
6. Asset Acquisitions			
Details of the purchase consideration and the net assets acquired are as follows:			
Mongolian Project - Nomgon IX CBN PSC			
Purchase consideration			
79 million ordinary shares issues at the market price of $0.035	11	**2,765,000**	-
Fair value			
Cash and other receivables		**131**	-
Exploration and Evaluation Expenditure	7	**2,957,843**	-
Accrued expenses		**(4,017)**	-
GOH Convertible Notes		**(48,993)**	-
Loan from GOH Director (Neil Young)		**(53,048)**	-
Other Payables		**(86,916)**	-
Net assets acquired		**2,765,000**	-

On 14 December 2018, the Company acquired all the issued shares of Golden Horde Limited ("GOH"), which owns a 100% Working Interest in the Nomgon IX CBN PSC in Mongolia, which was awarded on 18 September 2018. The Group has held an option to acquire GOH since October 2017, the exercise of which has always been subject to the PSC being awarded. GOH had no other material assets, no full-time employees and no funding capability. Accordingly, the Group has determined that GOH did not constitute a business at the date of completion of the acquisition and the transaction has been accounted for as an asset acquisition.

	Note	Consolidated Group 2019 $	2018 $
Alaskan Project - Peregrine			
Purchase consideration			
Cash consideration for three leases	7	**1,138,971**	-

On 12 September 2018, the Company announced that it had entered a binding terms sheet to acquire 35,423 acres made up of three leases in Alaska. The consideration for the acquisition was $1,138,971 (US$803,859), together with the assignment of an overriding royalty interest on the leases acquired. The acquisition closed on 14 November 2018. The Group has determined that the acquisition of the three leases does not constitute a business acquisition and the transaction has been accounted for as an asset acquisition. There were no other assets or liabilities associated with the acquisition of the leases. The assets acquired as described above, coupled with the additional 10 leases acquired by the Company pursuant to the successful 2018 NPR-A Lease Sale process.

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Notes to the Consolidated Financial Statements

The leases lie within the National Petroleum Reserve of Alaska ("NPR-A") which is managed by the United States Bureau of Land Management ("BLM"). The Company was required to lodge a US$300,000 bond with the BLM which is refundable upon cessation or relinquishment of the leases in good standing. The leases were originally awarded in 2014 for a period of 10 years, expiring 1 March 2024. Annual rentals are US$3/acre which must be paid on or before the lease anniversary date in order to retain the leases. The Lessor is the BLM which is entitled to receive a 12.5% royalty if or when production commences.

	Note	Consolidated Group 2019 $	2018 $
7. Deferred exploration & evaluation expenditure			
Mongolian Project			
Balance at 1 July		**-**	-
Acquisition of Golden Horde Limited	6	**2,957,843**	-
Amount Capitalised during the year		**534,561**	-
Impairment		**-**	-
Foreign Exchange Movements		**(48,040)**	-
Balance at 30 June		**3,444,364**	-
Alaskan Project			
Balance at 1 July		**-**	-
Acquisition costs – Alaska Leases	6	**1,138,971**	-
Capitalised expenditure[(1)]		**2,305,978**	-
Environmental Bond (USD$300,000)	6	**424,957**	-
Foreign exchange		**29,590**	-
Sale of asset	8	**(3,899,496)**	-
Balance at 30 June		**-**	-

(1) The Company entered into an Area of Mutual Interest ("AMI") with the sellers whereby the sellers cannot compete with the Company for new leases within the AMI. In consideration of entering the AMI, the sellers will be assigned a 1.5% overriding royalty on all leases acquired within the AMI. On 13 December 2018, the Company announced that it was named the successful high bidder on further leases covering 114,310 acres within the NPRA. Eight of the ten leases acquired in the 2018 BLM NPR-A lease sale are within the AMI.

Significant accounting estimates and judgments for impairment amounts

The future recoverability of exploration and evaluation assets is dependent on a number of factors, including whether the Group decides to exploit the related concession itself or, if not, whether it can successfully recover the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of production, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices. To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

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Notes to the Consolidated Financial Statements

	Note	Consolidated Group 2019 $	2018 $
8. Sale of asset			
Alaskan Project - Peregrine			
Proceeds from the sale of Alaskan Project:			
Cash		**1,179,291**	-
Loan forgiven		**700,000**	-
185 million Entek Energy Limited shares		**1,665,000**	-
		3,544,291	-
Less:			
Acquisition costs – Alaska Leases	6	**1,138,971**	-
Capitalised expenditure	7	**2,305,978**	-
Environmental Bond	7	**424,957**	-
Foreign exchange		**29,590**	
Acquisition costs		**3,899,496**	-
(Loss)/gain on sale of assets held for sale		**(355,205)**	-

On 29 November 2018, the Company entered into an Option Agreement with Entek Energy Limited ("Entek") in connection with its Alaskan assets. During the year Entek exercised its option to acquire Project Peregrine via the purchase Elxir's wholly owned subsidiary Emerald House LLC (Emerald). Emerald holds a 100% interest in 13 oil and gas leases within the National petroleum Reserve - Alaska on the North Slope. The sale complete don 15 April 2019.

The consideration for the purchase comprise 185 million Entek shares, $1,179,291 (USD$846,730) in cash and the forgiveness of a $700,000 (USD$500,000) bridging loan. The total number of Entek shares was determined under a formula in the Option Agreement. Elixir distributed the Entek shares received to its current shareholders on a pro-rata basis. Each Elixir shareholder receive approximately 0.475 Entek shares for each Elixir share on 29 April 2019.

Elixir's prior Managing Director, Mr Dougal Ferguson joined Entek as its Managing Director on 15 April 2019 at which time Mr Neil Young was appointed as Elixir's Managing Director.

	Note	Consolidated Group 2019 $	2018 $
9. Trade and Other Payables			
Current			
Unsecured liabilities		**124,032**	54,771
Trade payables and accrued expenses		**228,032**	47,715
Trade and other payables		**352,064**	102,486

Trade payables are unsecured and paid within 30 days of recognition. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value. All amounts are expected to be settled within 12 months.

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Notes to the Consolidated Financial Statements

	Note	Consolidated Group 2019 $	2018 $
10. Provisions			
Current			
Rehabilitation Provisions			
Opening balance at 1 July		**783,735**	753,064
Foreign currency movement		**44,444**	30,671
Balance at 30 June		**828,179**	783,735
Short-term Employee Benefits			
Opening balance at 1 July		**74,973**	47,576
Leave entitlements accrued/(paid)		**(63,777)**	27,397
Balance at 30 June		**11,196**	74,973
Total Current		**839,375**	858,708

Significant accounting estimates and judgments for rehabilitation provisions

The Group estimates its share of the future removal and remediation costs of oil and gas platform production facilities, wells and pipelines at the time of acquisition or installation of the assets. In mo instances, removal of assets occurs many years into the future. This requires judgemental assumptior regarding removal date, future environmental legislation, the extent of remediation activities required, th engineering methodology for estimating cost, future removal technologies in determining the remov cost, and asset specific discount rates to determine the present value of these cash flows. For more deta regarding the policy in respect of provision for rehabilitation refer to Note 28(m).

	Note	Consolidated Group 2019 $	2018 $
11. Issued Capital			
487,204,039 fully paid ordinary shares (June 2018: 221,446,872 fully paid ordinary shares)		**79,232,841**	73,658,419

	Number of shares 2019	2018		2019 $	2018 $
Balance at 1 July	**221,446,872**	178,946,872		**73,658,419**	72,162,176
Placement on 20 September 2018	**33,000,000**	-		**1,650,000**	-
1:6 bonus issue on 9 November 2018	**41,316,360**	-		**-**	-
In specie distribution	**-**	-	8	**(1,665,000)**	-
Issue on the asset acquisition	**79,000,000**	-	6	**2,765,000**	-
Conversion of Performance Rights	**15,000,000**	-		**-**	-
Placement on 24 May 2019	**97,440,807**	-		**3,507,869**	-
Placement on 23 October 2017	**-**	40,000,000		**-**	1,600,000
Capital Raising Fee Shares	**-**	2,500,000		**-**	182,500
Share issue costs	**-**	-		**(683,447)**	(286,257)
Balance at 30 June 2019	**487,204,039**	221,446,872		**79,232,841**	73,658,419

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Notes to the Consolidated Financial Statements

(i) Fully paid ordinary shares

Fully paid ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders meetings each ordinary share is entitled to one vote on a show of hands or by proxy and upon a poll each share is entitled to one vote.

(ii) Options of ordinary shares

Refer to Note 14 for information relating to the details of Options over fully paid ordinary shares issued, exercised and lapsed during the financial year and the Options outstanding at year-end. Refer to Note 14 for information relating to Options over fully paid ordinary shares issued to Key Management Personnel during the financial year.

(iii) Capital Risk Management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern. The Group is not subject to any externally imposed capital requirements. Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

	Note	Consolidated Group 2019 $	2018 $
12. Reserves and Accumulated Losses			
(a) Foreign currency translation reserve			
Opening Balance		**101,068**	101,842
Currency translation differences arising during the year		**2,462**	(774)
Closing Balance		**103,530**	101,068
(b) Share-based payment reserve			
Opening Balance		**470,291**	344,379
Share issue costs paid in securities		**185,138**	-
Options expensed during the year		**143,179**	4,928
Performance Rights expensed during the year		**835,536**	120,986
Closing Balance		**1,634,144**	470,291
(c) Listed Option reserve			
Opening Balance		**-**	-
Listed Options issued during the year		**934,625**	-
Issue costs		**(45,515)**	-
Closing Balance		**889,111**	-
Total Reserves		**2,626,785**	571,359
Accumulated losses			
Opening balance		**(71,898,419)**	(70,999,282)
Net loss for the year		**(2,454,263)**	(899,137)
Closing balance		**(74,352,682)**	(71,898,419)

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Notes to the Consolidated Financial Statements

The share-based payment reserve is used to recognise the deferred expense in relation to share based payments. Refer to Note 11 for information relating to the details of Options over fully paid ordinary shares issued, exercised and lapsed during the financial year and the Options outstanding at year-end.

The foreign currency translation reserve is used to record exchange differences arising on consolidation of subsidiaries with different functional currencies from the Company.

With respect to the payment of dividends (if any) by the Company in subsequent financial years, no franking credits are currently available, or are likely to become available in the next 12 months. No dividends were paid or declared during the current financial year.

	Note	Consolidated Group 2019 No.	2018 No.
13. Options and Performance Rights			
As at 30 June 2019 the following Options and Rights over unissued ordinary shares are on issue.			
Listed Options:			
Opening Listed Options		-	-
Options granted		**93,462,537**	-
Options expired		-	-
Options exercised		-	-
Closing Listed Options		**93,462,537**	-
Unlisted Options:			
Opening Unlisted Options		**8,000,000**	8,000,000
Options granted		-	-
Options expired		-	-
Options exercised		-	-
Closing Unlisted Options		**8,000,000**	8,000,000
Incentive Options:			
Opening Incentive Options		**3,000,000**	3,000,000
Options granted		-	-
Options expired		**(3,000,000)**	-
Options exercised		-	-
Closing Incentive Options		-	3,000,000
Total Options		**101,462,537**	222,701
Weighted average exercise Price		**$0.065**	$0.041
Performance Rights:			
Opening Rights		**5,000,000**	-
Rights granted		**27,500,000**	5,000,000
Rights expired		-	-
Rights exercised		**(15,000,000)**	-
Closing Rights		**17,500,000**	5,000,000

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Notes to the Consolidated Financial Statements

Share options

At 30 June 2019 the following (2018: nil) Listed Options over unissued ordinary shares are on issue, the Listed Options were issued for $0.01 per Listed Option.

Issue date	Number	Exercise price	Expiry	Vesting
29 January 2019	17,210,055	$0.0679	31 December 2020	Vested
1 March 2019	76,252,482	$0.0679	31 December 2020	Vested
Total	**93,462,537**			

At 30 June 2019 the following (2018: 8,000,000) Unlisted Options over unissued ordinary shares are on issue.

Issue date	Number	Exercise price	Expiry	Vesting
26 August 2016	3,000,000	$0.0329	30 September 2019	Vested
12 October 2016	5,000,000	$0.0329	30 September 2019	Vested
Total	**8,000,000**			

No Options were exercised during the year, since the year end 1,000,000 Unlisted Options were converted into Shares at $0.0329.

Performance Rights

At 30 June 2019 the following (2018: 5,000,000) Performance Rights are on issue. Shareholders approved the issue of the 17,500,000 Rights on 28 November 2018.

Issue date	Number	Exercise price	Expiry	Vesting
Class C				
14 December 2018	7,500,000	$nil	13 December 2023	(c)
Class D				
14 December 2018	10,000,000	$nil	13 June 2020	(d)
Total	**17,500,000**			

During the year the following (2018: nil) Performance Right were exercised:

Performance Right	Number
Class A	2,500,000
Class B	2,500,000
Class E	5,000,000
Class F	5,000,000
Total	**15,000,000**

Performance Rights Milestones and terms:

a. Class A is completion of the proposed acquisition of Golden Horde Limited.

b. Class B is the certification of a Petroleum Resource Management System (PRMS) certified prospective resource of coal bed methane of greater than one trillion cubic feet within the Nomgon IX PSC in Mongolia.

c. Class C – Final investment decision approved by the Board and the Mongolian Government or a pilot production test within the PSC within 5 years of date of issue

d. Class D – Drilling and testing of two Coal Bed Methane wells within 18 months of date of issue

e. Class E – Acquisition of at least 40,000 additional acres of leases within the NPRA within 12 months of date of issue

f. Class F – Board approval of a corporate transaction that introduces new capital or alternative funding to progress the exploration of the Alaskan Leases within 18 months of date of issue

g. No voting or dividend rights

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Notes to the Consolidated Financial Statements

	Note	Consolidated Group 2019 $	2018 $
14. Share Based Payments			
Security:			
Class A Performance Rights issued: nil (2018: 2,500,000)		**81,760**	90,740
Class B Performance Rights issued: nil (2018: 2,500,000)		**142,253**	30,246
Class C Performance Rights issued: 7,500,000 (2018: nil)		**-**	-
Class C Performance Rights issued: 7,500,000 (2018: nil) (1)		**-**	-
Class D Performance Rights issued: 10,000,000 (2018: nil)		**159,645**	-
Class D Performance Rights issued: 10,000,000 (2018: nil) (1)		**31,878**	-
Class E Performance Rights issued: 5,000,000 (2018: nil)		**210,000**	-
Class F Performance Rights issued: 5,000,000 (2018: nil)		**210,000**	-
Options		**328,317**	4,926
Total Share-Based Payments		**1,163,853**	125,912
Share issue costs		**185,138**	-
Expensed		**978,715**	125,912
Total:		**1,163,853**	125,912-
Recipient:			
Key management personnel -Richard Cottee			
Class C Performance Rights: 7,500,000 (2018: nil) (1)		**-**	-
Class D Performance Rights: 7,500,000 (2018: nil) (1)		**31,878**	-
Listed Options(1)		**142,500**	
Total: Director -Richard Cottee		**174,378**	-
Key management personnel -Stephen Kelemen			
Incentive Options: 5,000,000 (2018: nil) (1)		**679**	-
Total: Director -Stephen Kelemen		**679**	-
Key management personnel -Neil Young			
Class C Performance Rights issued: 7,500,000 (2018: nil)		**-**	-
Class D Performance Rights issued: 10,000,000 (2018: nil)		**159,645**	-
Total: Director -Neil Young		**159,645**	-
Key management personnel -Dougal Ferguson			
Class A Performance Rights issued nil (2018: 2,000,000)		**65,408**	72,592
Class B Performance Rights issued nil (2018: 2,000,000)		**113,803**	24,197
Class E Performance Rights issued: 2,500,000 (2018: nil)		**105,000**	-
Class F Performance Rights issued: 2,500,000 (2018: nil)		**105,000**	-
Options		**-**	4,926
Total: Director -Dougal Ferguson		**389,211**	101,715
Total Key Management Personnel		**723,913**	101,715

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Notes to the Consolidated Financial Statements

	Note	Consolidated Group 2019 $	2018 $
Consultants			
Class A Performance Rights issued; nil (2018: 500,000)		**16,352**	18,148
Class B Performance Rights issued: nil (2018: 500,000)		**28,451**	6,049
Class E Performance Rights issued: 2,500,000 (2018: nil)		**105,000**	-
Class F Performance Rights issued: 2,500,000 (2018: nil)		**105,000**	-
Listed Options in payment of share issue costs[1]		**185,138**	-
Total: Consultants		**439,941**	24,197
Total Share-Based Payments		**1,163,853**	125,912

[1]On the 20 August 2019, Shareholders approved the issue of these securities, the securities have been valued but have not been issued at the date of this report:

Performance Rights A and B

On 30 November 2017 shareholders approved, amongst other matters, the issue of a total of 4,000,000 Performance Rights to the Managing Director of the Company and 1,000,000 to consultants. The Performance Rights were issued on 20 December 2017. The Performance Rights issued to the Dougal Ferguson as part of his Managing Director's remuneration and consultants are charged to Share Based Payments in in the Consolidated Statement of Profit and Loss and Other Comprehensive Income, based on the proportionate value of these Performance Rights applicable to the year as set out in the fair value summary below.

Performance Rights C, D, E and F

During the year, shareholders approved, amongst other matters, the issue of a total of 22,500,000 Performance Rights to the Managing Director of the Company and 5,000,000 to consultants. 17,500,000 Performance Rights were issued on 14 December 2018 and 17 December 2018. The Performance Rights issued to the Dougal Ferguson and Neil Young as part of their Executive Director's remuneration and consultants are charged to Share Based Payments in in the Consolidated Statement of Profit and Loss and Other Comprehensive Income, based on the proportionate value of these Performance Rights applicable to the year as set out in the fair value summary below.

On the 20 August 2019, Shareholders approved the issue of 15,000,000 Performance Rights as part of Mr Cottee's' Non-executive Director's remuneration that vest once vesting conditions are achieved, the securities have been valued but have not been issued at the date of this report.

Fair Value Summary

The fair value of the Performance Rights is summarised below:

				Share Based Payment by year		
Performance Right	**Number of Award[4]**	**Probability**	**Fair Value $**	2020 $	**2019 $**	2018 $
Neil Young[2]						
Class C expires 13-Dec-23	7,500,000	0%	315,000	-	-	-
Class D expires 13-Jun-20	10,000,000	100%	420,000	260,355	159,645	-
Neil Young total				**260,355**	**159,645**	**-**

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Notes to the Consolidated Financial Statements

Performance Right	Number	Probability of Award[4]	Fair Value $	Share Based Payment by year 2020 $	2019 $	2018 $
Richard Cottee[3]						
Class C expires 5 years after issue	7,500,000	0%	345,000	-	-	-
Class D expires 1.5 years	7,500,000	100%	345,000	313,122	31,878	-
Richard Cottee total				**313,122**	**31,878**	**-**
Dougal Ferguson[2]						
Class A expires 20-Dec-18	2,000,000	100%	138,000	-	65,408	72,592
Class B expires 20-Dec-20	2,000,000	100%	138,000	-	113,803	24,197
Class E expires 16-Dec-19	2,500,000	100%	105,000	-	105,000	-
Class F expires 16-Jun-20	2,500,000	100%	105,000	-	105,000	-
Dougal Ferguson total				**-**	**389,211**	**96,789**
Consultant[2]						**-**
Class A expires 20-Dec-18	500,000	100%	34,500	-	16,352	18,148
Class B expires 20-Dec-20	500,000	100%	34,500	-	28,451	6,049
Class E expires 16-Dec-19	2,500,000	100%	105,000	-	105,000	-
Class F expires 16-Jun-20	2,500,000	100%	105,000	-	105,000	-
Consultants total				-	**254,803**	**24,197**
Total				**573,477**	**835,536**	**120,986**

(1) The terms and conditions ('Milestones") of the Performance Rights are set out in Note 13.

(2) The Performance Rights Class C, Class D, Class E and Class F have been valued at $0.042 (2018: Class A and Class B valued at $0.069) per Performance Right being the share price on the day the Performance Rights were approved for issue and the probability is management's view of whether the event relevant the Milestones (refer to Note 13 for terms and conditions of each Milestone) are achieved.

(3) The Performance Rights Class C and, Class D, have been valued at $0.046 being the share price on the day the Performance Rights were approved by Shareholders for issue, being 20 August 2019, and the probability is management's view of whether the event relevant the Milestones (refer to Note 13 for terms and conditions of each Milestone) are achieved.

(4) If the Company deems it less than likely that the Milestone will be achieved a probability factor of 0% has been assigned. If the Company deems it more than likely that the Milestone will be achieved a probability factor of 100% has been assigned.

The fair value of the Options is summarised below:

Listed Options	Number	Probability of Award	Fair Value $	Share Based Payment by year 2020 $	2019 $	2018 $
Richard Cottee	7,500,000	n/a	142,500	-	142,500	-
Share issue cost	9,744,080	n/a	185,138	-	185,138	-
Incentive Options						
Stephen Kelemen	5,000,000	n/a	150,427	149,748	**679**	**-**
Total				**149,748**	**328,317**	**-**

Notes to the Consolidated Financial Statements

The Incentive Options are valued using Black Scholes, the key inputs being: Current Share Price $0.046, exercise price $0.10, risk free rate 2.93% and volatility of 110%.

Further details of share based payment issued to Key Management Personnel are provided in the remuneration report.

	Note	Consolidated Group 2019 $	2018 $
Shares issue in lieu of share issue costs		185,138	182,500

On 20 August 2019, shareholders approved the issue of 9,744,080 Listed Options for no consideration in payment of share issue costs with a fair value of $185,138. The Listed options have not been issued at the date of this report.

On 23 October 2017, the Company issued 2,500,000 shares (Fee Shares) to parties that assisted with the placement of 40,000,000 shares raising $1,600,000 before costs. The Fee Shares were issued to the parties in recognition of their assistance with the placement and were issued for no cash consideration. The fair value of the Fee Shares has been determined as $182,500, being the price at which the placement was completed as the value of the service was not able to be determined reliably.

Significant accounting estimates and judgments for share based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using an appropriate option pricing model or fair market value of share (options) at the date of grant, using the assumptions detailed above. If any of these assumptions were to change, there may be an impact on the amounts reported.

15. Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge, best available current information and expectations of future events that may have a financial impact on the Group.

This Note provides an overview of the areas that involved a high degree of judgement or complexity and items that are more likely to be materially adjusted. Detailed information about each of these estimates and judgments is included in the Notes together with information about the basis of calculation for each affected line in the financial statements.

Significant accounting estimates and judgments

The areas involving significant estimates and judgments are:

(i) Recognition of deferred tax asset for carried forward tax losses – Note 3

(ii) Income taxes – Note 3

(iii) Estimation of fair value of share based payments – Note 14

(iv) Estimation of fair value of capitalised exploration and evaluation expenditure – Note 7; and

(v) Estimation of rehabilitation costs and exposure to contingent liabilities – Note 10

Estimates and judgments are continually evaluated however there have been no actual adjustments this financial year as a result of a change in previous estimates used to prepare prior years financial statements.

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Notes to the Consolidated Financial Statements

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	Note	Consolidated Group 2019 $	2018 $
16. Cash Flow Information			
(a) Reconciliation of Cash Flow from Operations with Loss after Income Tax			
Loss after income tax		**(2,454,263)**	(899,137)
Non-operating cash flows			
Interest Income		**(28,235)**	(33,809)
Loss on sale of asset		**355,205**	
Non-cash flows in profit			
Exploration and evaluation expenditure expensed		**82,147**	25,000
Depreciation, depletion & amortisation		**970**	1,176
Share-based payment		**978,715**	125,912
Net exchange rate differences		**15,966**	1,985
(Increase)/decrease in current assets		**(52,727)**	(4,165)
Increase/(decrease) in current liabilities		**77,440**	2,599
Increase/(decrease) in provisions		**63,777**	27,397
Cash flow used in operations		**(961,005)**	(753,042)

(b) Non-cash financing and investing activities

During the year ended 30 June 2019, the Company issued fully paid shares in lieu of capital raising services to the value of $185,138 (2018: $182,500 refer Note 14). There were no non-cash financing and investing activities for the year ended 30 June 2019.

	Note	Consolidated Group 2019 $	2018 $
17. Auditor's Remuneration			
BDO Audit (WA) Pty Ltd			
Remuneration of the auditor for auditing or reviewing the financial report		**36,342**	30,247
BDO Tax (WA) Pty Ltd – tax services		**2,550**	-
		38,892	30,247
Greenwich and Co. (previously KSI (WA) Pty Ltd)			
Remuneration of the auditor for auditing or reviewing the financial statement of subsidiaries		**1,400**	2,750

Notes to the Consolidated Financial Statements

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	Note	Consolidated Group 2019 $	2018 $
18. Loss per Share			
(a) Reconciliation of earnings used in calculating earnings per share: Loss attributable to the ordinary equity holders of the company:		**(2,454,263)**	(899,137)
		Shares	Shares
(b) Weighted and diluted average number of ordinary shares outstanding during the year used in calculating basic EPS		**331,360,881**	208,172,899
		Cents	Cents
Basic loss per share		**(0.74)**	(0.43)

19. Joint Arrangements

At the reporting date, the Group had working interests in joint arrangements for the following projects:

Project	Blocks/ Leases	Activity	Location	Working Interest 2019	2018
Petra Project[1]	Various	Oil & Gas field, exploration project	USA	**25%**	25%
Pompano Project[2]	446-L SE/4	Oil & Gas field, production project	USA	**25%**	25%

- Elixir, through its wholly owned subsidiary, Elixir Petroleum (Petra) LLC, owns a 25% working interest across all leases in approximately 18,744 net acres in Washington County, Colorado, USA.
- Cottesloe Oil and Gas LLC ("Cottesloe"), a wholly owned subsidiary of the Group, was a party to a Joint Operating Agreement with respect to the Pompano project. It is unclear whether Cottesloe remains a party to this Agreement. Refer Note 23.

20. Controlled Entities

Subsidiaries of Elixir Energy Limited:	Country of Incorporation	Percentage Owned 2019	2018
Golden Horde Limited	Australia	**100%**	-
GOH LLC	Mongolia	**100%**	-
Elixir Petroleum (Australia) Pty Ltd	Australia	**100%**	100%
Elixir Petroleum (Moselle) Ltd	United Kingdom	**100%**	100%
Elixir Petroleum (Colorado) LLC	USA	**100%**	100%
Elixir Petroleum (Petra) LLC	USA	**100%**	100%
Cottesloe Oil & Gas LLC	USA	**100%**	100%
Cottesloe Oil & Gas Inc	USA	**100%**	100%

Elixir Energy Limited and Elixir Petroleum (Australia) Pty Ltd are parties to a deed of cross guarantee under which each company guarantees the debtors of the other. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and Directors' report

Notes to the Consolidated Financial Statements

under class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

	Note	Consolidated Group 2019 $	2018 $
Financial information in relation to:			
(i) Statement of Profit or Loss and Other Comprehensive Income:			
Loss before income tax		**(2,078,174)**	(876,611)
Income tax expense		**-**	-
Loss after income tax		**(2,078,174)**	(876,611)
Loss attributable to members of the parent entity		**(2,078,174)**	(876,611)
(ii) Accumulated losses:			
Accumulated losses at the beginning of the year		**(71,776,982)**	(70,900,371)
Loss after income tax		**(2,078,174)**	(876,611)
Accumulated losses at the end of the year		**(73,855,156)**	(71,776,982)
(iii) Statement of Financial Position:			
Current Assets			
Cash and cash equivalents		**4,346,591**	2,484,234
Other receivables		**69,099**	20,071
Total current assets		**4,415,690**	2,504,305
Non-current Assets			
Intercompany loans		**987,260**	-
Investment in subsidiaries		**2,765,010**	7
Other plant and equipment		**1,380**	3,528
Total non-current assets		**3,753,651**	3,535
Total assets		**8,169,341**	2,507,840
Current Liabilities			
Trade and other payables		**259,030**	82,964
Provisions		**11,196**	74,973
Total current liabilities		**270,226**	157,937
Total liabilities		**270,226**	157,937
Net assets		**7,899,115**	2,349,903
Equity			
Issued Capital		**79,232,841**	73,658,419
Share-based Payment Reserve		**2,521,430**	468,466
Accumulated Losses		**(73,855,156)**	(71,776,982)
Total Equity		**7,899,115**	2,349,903

21. Parent Entity Information

The following information has been extracted from the books and records of the Parent and has been prepared in accordance with Australian Accounting standards.

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Notes to the Consolidated Financial Statements

	Consolidated Group	
	2019	2018
	$	$
Statement of Financial Position		
Assets		
Current Assets	**4,415,690**	2,504,305
Non-current Assets	**3,361,479**	3,535
Total assets	**7,777,169**	2,507,840
Liabilities		
Current Liabilities	**270,226**	157,937
Total Liabilities	**270,226**	157,937
Net assets	**7,506,944**	2,349,903
Equity		
Issued Capital	**79,232,841**	73,658,419
Accumulated Losses	**(74,247,328)**	(71,776,982)
Share-based Payment Reserve	**2,521,430**	468,466
Total Equity	**7,506,944**	2,349,903
Statement of Profit or Loss and other Comprehensive Income		
Total loss	**(2,470,346)**	(876,611)
Total comprehensive loss	**(2,470,346)**	(876,611)

As at 30 June 2019 amounts receivable from controlled entities at cost totalled $987,261 (2018: $7,635,195). During the year an amount of $392,172 (2018: $267,865) was impaired for amounts receivable from controlled entities. No impairment charge was made against the value of investments in controlled entities (2018: Nil).

Guarantees

Elixir Energy Limited has entered into a cross guarantee with Elixir Petroleum (Australia) Pty Ltd, a wholly owned subsidiary with the full details being disclosed at Note 20.

Wholly-owned group

Details of interests in wholly-owned controlled entities are set out at Note 20. Details of dealings with controlled entities are as follows:

Inter-company Account

Elixir Energy Limited provides working capital to its controlled entities. Transactions between Elixir Energy Limited and other controlled entities in the Group during the year ended 30 June 2019 consisted of:

- Working capital advanced by Elixir Energy Limited.
- Provision of services by Elixir Energy Limited.
- Expenses paid by Elixir Energy Limited on behalf of its controlled entities.

The above transactions were made interest free with no fixed terms for the repayment of amounts advanced by Elixir Energy Limited.

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Notes to the Consolidated Financial Statements

22. Capital and Leasing Commitments

	Consolidated Group	
	2019	2018
	$	$
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not recognised in the financial statements		
Payable—minimum lease payments		
not later than 12 months	**2,138,885**	6,180
between 12 months and 5 years	**9,981,463**	-
	12,120,348	6,180

The PSC is governed by calendar year. The first year of the PSC has commitments of $2,138,885 (USD $1,500,000) and between 2 year to 5 year of $9,981,463 (USD $7, 000,000) for a total commitment of the first 5 years to $12,120,348 (USD $8,500,000). The PCS established a Royalty of between 5-7% and Mongolian Government share of profit up to 40% with no income tax and no back in rights.

23. Contingent Liabilities

Cottesloe Oil and Gas LLC ("Cottesloe"), a wholly owned subsidiary of the Group, was a party to a Joint Operating Agreement ("JOA") with amongst others, Buccaneer Resources LLC ("Buccaneer"), a wholly owned subsidiary of Buccaneer Energy Limited on the Pompano Project ("Pompano"). During 2011 the Operator proposed activities at Pompano which Cottesloe declined to participate in thus impacting our status and future rights and obligations under the JOA. The remaining JV partners ultimately elected to shut in the wells and relinquish the two associated leases during 2012 with abandonment obligations remaining outstanding. The Company became aware that Buccaneer applied for and was granted Chapter 11 protection in the United States and Australia post the end of the 2014 financial year. As at the date of this report, the Company has not been made aware of any claims from Buccaneer or any of its creditors.

It is unclear whether Cottesloe is still a party to the JOA, but if this is the case, there is the possibility that in the event of a default by Buccaneer on its share of the abandonment cost of the platform, associated infrastructure and the wells, then Cottesloe will potentially be liable for its increased proportionate share of the cost. Buccaneer states in its latest annual report that it has a 65% working interest in the Pompano project. Cottesloe's only significant asset is a cash backed bond of US$580,208 in favour of the previous owner of the platform and associated infrastructure which can be called upon in the event Cottesloe defaults on its share of the abandonment costs of this infrastructure. The cash backed bond provided by Cottesloe does not extend to any costs of abandoning the wells.

There is no parent company guarantee in place between the Company and any of the other co-venturers in the Pompano project and therefore there is limited recourse to the Company or any other subsidiary of the Group should a claim be made on Cottesloe for an amount in excess of its assets.

24. Operating Segments

General Information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of Directors (chief operating decision makers) in assessing performance and in determining the allocation of resources.

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Management has determined, based on the reports reviewed by the Board of Directors that are used to make strategic decision, that the Group had two reportable segments during 2019 (2018: two) being oil and gas exploration in France and oil and gas exploration in the United States of America (USA). The Group's management and administration office is located in Australia.

Segment Performance

	Oil & Gas Exploration			Other Corporate Activities	Total
	Mongolia	USA	France		
	$	$	$	$	$
30 June 2019					
Revenue from external sources	-	-	-	28,235	**28,235**
Reportable segment (loss)	(906)	448,777	(103,662)	(2,798,472)	**(2,454,263)**
Reportable segment assets	3,452,093	829,211	-	4,417,079	**8,698,383**
Reportable segment liabilities	(73,180)	(828,179)	(20,906)	(269,174)	**(1,191,439)**
30 June 2018					
Revenue from external sources	-	-	-	33,809	33,809
Reportable segment (loss)	-	(4,663)	(16,285)	(878,189)	(899,137)
Reportable segment assets	-	784,719	-	2,507,834	3,292,553
Reportable segment liabilities	-	(783,735)	(20,574)	(156,885)	(961,194)

No reconciliation is required of segment information as the information as presented is used by the Board to make strategic decisions.

25. Related Party Transactions

The Group's main related parties are as follows

(i) Entities exercising control over the Group:
The ultimate parent entity that exercises control over the Group is Elixir Energy Limited, which is incorporated in Australia.

(ii) Key Management Personnel Compensation:
Refer to the Remuneration Report contained in the Directors' Report for detailed remunerations disclosures of payments to each member of the Group's key management personnel (KMP) for the year ended 30 June 2019.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	Consolidated Group	
	2019	2018
	$	$
Short-term employee benefits	**559,570**	374,590
Post-employment benefits	**31,490**	22,557
Share-based payments	**723,913**	101,715
Total KMP compensation	**1,314,973**	498,862

(iii) Entities subject to significant influence by the Group:
An entity which has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

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(iv) Transactions with other related parties:
Mr Dougal Ferguson only became a director Entek (refer to Note 8) on the completion of the sale of the Emerald to Entek, this transaction is therefore not a related party transaction. There were no other transactions with related parties during the year.

(v) Outstanding balances arising from sales/purchases of goods and services:
There are no outstanding balances arising from sale/purchases of goods and services (30 June 2018: Nil).

(vi) Loan to / from related parties:
There were no loans to or from related parties during the year (30 June 2018: Nil).

26. Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to and from subsidiaries.
The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

		Consolidated Group	
		2019	2018
	Note	**$**	$
Financial Assets			
Cash and cash equivalents	4	**4,354,678**	2,484,234
Loans and receivables	5	**885,307**	799,014
Total Financial Assets		**5,252,639**	3,283,248
Financial Liabilities			
Financial liabilities at amortised cost			
Trade and other payables	9	**352,064**	102,486
Total Financial Liabilities		**352,064**	102,486

Financial Risk Management Policies

Company Management along with the Audit Committee have been delegated responsibility by the Board of Directors for, among other issues, managing financial risk exposures of the Group. The Board monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, liquidity risk and interest rate risk.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and other price risk (commodity and equity price risk). There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.
Credit risk is managed through the procedures including approval systems, credit limits, monitoring of exposures against such limits and monitoring of the financial stability of significant counterparties, ensuring to the extent possible, that counterparties to transactions are of credit worthy. Such monitoring is used in assessing receivables for impairment. Risk is also minimised through only investing surplus funds in financial institutions that maintain a high credit rating.

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The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position. Credit risk also arises through the provision of financial guarantees, as approved at Board level, given to parties securing the liabilities of certain subsidiaries (refer Note 17 for details).
The Group has no significant concentration of credit risk with any single counterparty or group of counterparties. However, on a geographic basis, the Group had credit risk exposures to Australia, the USA, France and the United Kingdom given the operations in those regions. Details with respect to credit risk of Trade and Other Receivables is provided in Note 5.

Credit risk related to balances with banks and other financial institutions is managed in accordance with approved board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

	Consolidated Group	
	2019	2018
Cash and cash equivalents	**$**	$
Cash held in Australia, USA, France and United Kingdom (AA Rated)	**4,349,337**	2,484,234
Cash held in Mongolia in local currency	**5,341**	-
Total	**4,354,678**	2,484,234

(b) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operational, investing and financing activities
- using derivatives that are only traded in highly liquid markets
- monitoring undrawn credit facilities
- obtaining funding from a variety of sources
- maintaining a reputable credit profile
- managing credit risk related to financial assets
- only investing surplus cash with major financial institutions
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. Financial guarantee liabilities are treated as payable on demand since the Group has no control over the timing of any potential settlement of the liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will be rolled forward.

Notes to the Consolidated Financial Statements

Financial liability and financial asset maturity analysis

Consolidated Group	Within 1 Year		1 to 5 years		Over 5 years		Total	
	2019 $	2018 $	**2019 $**	2018 $	**2019 $**	2018 $	**2019 $**	2018 $
Financial liabilities due for payment								
Trade and other payables	352,064	102,486	-	-	-	-	**352,064**	102,486
Total expected outflows	352,064	102,486	-	-	-	-	**352,064**	102,486
Financial Assets - cash flows realisable								
Cash and cash equivalents	4,354,678	2,484,234	-	-	-	-	4,354,678	2,484,234
Trade, term and loans receivables	69,783	21,056	828,178	783,735	-	-	**897,961**	804,791
Total anticipated inflows	4,424,461	2,505,290	828,178	783,735	-	-	**5,252,639**	3,289,025
Net inflow on financial instruments	4,424,461	2,402,804	828,178	783,735	-	-	**5,252,639**	3,186,539

(c) Market Risk

(i) Interest rate risk

As at, and during the year ended on the reporting date, the Group had no significant interest-bearing assets or liabilities other than liquid funds on deposit. As such, the Group's income and operating cash flows (other than interest income from funds on deposit) are substantially independent of changes in market interest rates.

(ii) Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

With instruments being held by overseas operations, fluctuations in the US Dollar and the UK Pound Sterling may impact on the Group's financial results unless those exposures are appropriately hedged.

During the year the Board decided that it would not be beneficial for the Group to purchase forward contracts or other derivative financial instruments to hedge its foreign exchange risk. Factors which the board considered in arriving at this position included, the expense of purchasing such instruments, the inherent difficulties associated with forecasting the timing and quantum of the USD and GBP outflows and the Group's foreign exchange holdings. The Board regularly monitors the Group's foreign exchange requirements and its foreign exchange risk. The board may in future period enter into transaction to hedge its foreign exchange risk if it is beneficial to do so.

The Group's exposure to foreign currency risk at the reporting date was as follows:

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	2019			2018	
	MTN	**USD**	**GBP**	**USD**	**GBP**
Cash	5,341	1,033,159	-	1,615	-
Trade and other receivables	-	357	-	985	-
Non-current receivables	207,164	828,864	-	783,735	-
Trade Payables	(73,183)	-	(20,906)	(3,635)	(20,574)
	139,322	**1,862,380**	**(20,906)**	782,700	(20,574)

(iii) Other price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors (other than those arising from interest rate risk or currency risk) for commodities.

Sensitivity Analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates and exchange rates. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Consolidated Group	
	Profit	**Equity**
Year ended 30 June 2019	**$**	**$**
+/- 0.9% in interest rates	**37,253**	**37,253**
+/- 20% in AUD relative to USD & GBP	**368,295**	**368,295**
Year ended 30 June 2018		
+/- 0.9% in interest rates	19,699	19,699
+/- 20% in AUD relative to USD & GBP	152,425	152,425

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

(iv) Fair values

Recurring fair value measurements

The Group does not have any financial instruments that are subject to recurring or non-recurring fair value measurements.

Fair values of financial instruments not measured at fair value

Due to their short-term nature, the carrying amounts of current receivables and current trade and other payables is assumed to equal their fair value.

The following methods and assumptions are used to determine the net fair value of financial assets and liabilities:

- Cash assets, borrowings and financial assets are carried at amounts approximating fair value because of their short term nature to maturity.
- Receivables and payables are carried at amounts approximating fair value.

27. Events After the Reporting Period

The following events occurred subsequent to 30 June 2019 which will have a material effect on the Group.

On 31 August 2019, Dougal Ferguson resigned as a director.

On 20 August 2019, Shareholders' approved the following resolutions at a general meeting:

1. Refreshed the Group's LR 7.1 placement capacity;
2. Ratified the recent placement of 38,976,323 shares;

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3. Issue of 7.5 million listed options, 7.5 million Class C Performance Rights and 7.5 million Class D Performance Rights to Mr Cottee;
4. Issue of 5 million Incentive Options to Mr Kelemen;
5. Issue of 9,744,080 Unlisted Options to Joint Lead Managers;
6. Issue of 5,666,667 shares it advisors: and
7. Approve an Employee Incentive Securities Plan.

On 19 August 2019, 1,000,000 Unlisted Options were exercised at $0.0329.

There are no other events occurring after the end of the reporting period to disclose.

28. Summary of Accounting Policies

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under the Australian Accounting Standards.

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. The financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Elixir Energy Limited at the end of the reporting period. A controlled entity is any entity over which Elixir Energy Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 20 to the financial statements.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the consolidated statement of financial position and statements showing profit or loss and other comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

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(b) Asset acquisition

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

(c) Income Tax

The income tax expense / (income) for the year comprises current income tax expense / (income) and deferred tax expense / (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities / (assets) are measured at the amounts expected to be paid to / (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense / (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(d) Segment Reporting

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of Directors (chief operating decision makers) in assessing performance and in determining the allocation of resources.

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Management has determined, based on the reports reviewed by the Board of Directors that are used to make strategic decision, that the Group had two reportable segments being oil and gas exploration in France and oil and gas exploration in the United States of America (USA). The group's management and administration office is located in Australia.

Basis of accounting for purposes of reporting by operating segments

(i) Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief operating decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

(ii) Inter-segment transactions

An internally determined transfer price is set for all inter-segment sales. This price is re-set quarterly and is based on what would be realised in the event the sale was made to an external party at arm's length. All such transactions are eliminated on consolidation of the Group's financial statements.

Corporate charges are allocated to reporting segments based on the segment's overall proportion of revenue generation within the Group. The Board of Directors believes this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

Inter-segment loans payable and receivable are initially recognised at the consideration received / to be received net of transaction costs. If intersegment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

(iii) Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of the economic value from the asset. In most instances, segment assets are clearly identifiable on the basis of their nature and physical location.

(iv) Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

(v) Unallocated items

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Derivatives
- Net gains on disposal of available-for-sale investments
- Income tax expense
- Deferred tax assets and liabilities
- Current tax liabilities
- Other financial liabilities
- Discontinued operations
- Retirement benefit obligations

(e) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

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Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 28(h) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(f) Interests in oil and gas properties

Exploration & evaluation expenditure

The Group's accounting policy for expenditure on exploration and of evaluation is accounted for in accordance with the area of interest method.

This approach is strongly linked to the Group's oil and gas reserves determination and reporting process and is considered to most fairly reflect the results of the Group's exploration and evaluation activity because only assets with demonstrable value are carried on the statement of financial position.

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Once a decision has been made to develop an oil or gas prospect, accumulated exploration and evaluation costs for that prospect are transferred from Deferred Exploration, Evaluation to Development Projects. Once production commences capitalised costs associated with the producing well are transferred to Oil and Gas Properties and are amortised or depreciated over the useful life of the asset.

This method allows the costs of discovery, evaluation and development of a prospect to be aggregated on the statement of financial position and matched against the benefits derived from production once this commences.

Costs
Expenditure on acquisition, and exploration and evaluation relating to an area of interest is carried forward at cost where rights to tenure of the area of interest are current and:

- It is expected that expenditure will be recouped through successful development and exploitation of the area of interest or alternatively by its sale; and/or
- Exploration and evaluation activities are continuing in an area of interest but at reporting date have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Where uncertainty exists as to the future viability of certain areas, the value of the area of interest is written off or provided against.

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment at the cash generating unit level whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Any impairment losses are recognised in the profit or loss account

(g) Financial Instruments
Recognition and Initial Measurement
Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).
Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement
Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

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The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) Financial Liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Financial Guarantees

Where material, financial guarantees issued that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due are recognised as a financial liability at fair value on initial recognition.

The fair value of financial guarantee contracts has been assessed using a probability-weighted discounted cash flow approach. The probability has been based on:

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- the likelihood of the guaranteed party defaulting during the next reporting period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposure if the guaranteed party were to default.

Financial guarantees are subsequently measured at the higher of the best estimate of the obligation in accordance with AASB 137: Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised in accordance with AASB 118.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(h) Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

(i) Interests in Joint Operations

The Group recognises its direct right to the assets, liabilities, revenue and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been included in the appropriate line items of the consolidated financial statements. Details of the Group's interests are provided in Note 16.

(j) Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the costs of the acquisition as part of the purchase consideration.

If the Company reacquires its own equity instruments, e.g. as the result of share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

Notes to the Consolidated Financial Statements

(k) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in the profit or loss.
Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

(l) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy any vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee benefits.

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy any vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee benefits.

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Share-based payments

The Group operates an employee share, option and Performance Rights plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

The corresponding amount is recorded to the share-based payment reserve. The fair value of Options is determined using the Black–Scholes pricing model. The number of shares, Options and rights expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

(m) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, the future sacrifice of economic benefits is probable and the amount of the obligation can be reliably estimated.
When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

An onerous contract is considered to exist where the Group has a contract under which the unavoidable cost of meeting the contractual obligations exceed the economic benefits estimated to be received. Present obligations arising under onerous contracts are recognised as a provision to the extent that the present obligation exceeds the economic benefits estimated to be received.

Provision for restoration and rehabilitation

Provision is made in the statement of financial position for restoration of operating locations. The estimated restoration and rehabilitation costs are initially recognised as part of the capitalised cost of the relevant project which gave rise to the future obligation. During the production phase of the project the capitalised restoration costs is amortised using the units of production method. Any actual costs incurred by the Group are allocated against the provision.

The provision for restoration and rehabilitation are based on the latest estimated future costs, determined on a discounted basis, which are re-assessed regularly and exclude any allowance for potential changes in technology or material changes in legislative requirements.

(n) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit / (loss) attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares on issue during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

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(o) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

(p) Revenue recognition

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(q) Trade and Other Receivables

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less expected credit losses.

(r) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(s) Goods and Services Tax (GST) and Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of GST or value added tax (VAT), except where the amount of GST or VAT incurred is not recoverable from the taxation authority.

Receivables and payables are stated inclusive of the amount of GST or VAT receivable or payable. The net amount of GST or VAT recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

(t) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(u) In-Specie distribution

The share capital of the Group is reduced by the fair value of the investment that was returned to the shareholders

(v) Going Concern

As disclosed in the financial statements, the Group recorded an operating loss of $2,454,263 and a cash outflow from operating activities of $961,005 for the twelve months ended 30 June 2019 and at balance date, had net current assets of $3,233,022.

The Group's cash flow forecast for the next 12 months indicates that based upon current planned expenditure the Group will have a positive cash position and will not require additional capital raisings during the next 12 months.

(w) New standard and interpretations

A number of new and revised standards became effective for the first time for annual periods beginning on or after 1 July 2018.

There is no material impact of new accounting standards and interpretations applied during the year, the key charges are set out below:

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Notes to the Consolidated Financial Statements

AASB 15 Revenue from Contracts with Customers

AASB 15 provides new guidance for determining when the Group should recognise revenue. The new revenue recognition model is based on the principle that revenue is recognised when control of a good or service is transferred to a customer – either at a point in time or over time.

The model features a contract-based five-step analysis of transactions to determine whether, or how much revenue is recognised.

The Group have assessed that there has been no impact on the Group's previously reported financial performance or financial position following the adoption of AASB 15.

AASB 9 Financial Instruments

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement (AASB 139) for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group has applied AASB 9 retrospectively, with the initial application date of 1 July 2018. There were no material impacts on the comparative balances other than a change in classification. There was no impact on hedging as the Group does not currently apply hedge accounting. The effects of adopting AASB 9 are set out below:

(a) Classification and measurement

Under AASB 9, there is a change in the classification and measurement requirements relating to financial assets. Previously, there were four categories of financial assets: loans and receivables, fair value through profit or loss, held to maturity and available for sale. Under AASB 9, financial assets are either classified as amortised cost, fair value through profit or loss or fair value through other comprehensive income. For debt instruments, the classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. A financial asset can only be measured at amortised cost if both these tests are satisfied. The assessment of the Group's business model was made as of the date of initial application, 1 July 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 July 2018. The assessment of whether contractual cash flows on debt instruments are SPPI was made based on the facts and circumstances as at the initial recognition of the assets.

(b) Financial Instruments

The adoption of AASB 9 did not result in a significant change to the recognition or measurement of financial instruments for the Group as presented in the financial report. The following categories of financial asset and liability required no classification or measurement adjustments as a result of adopting AASB 9:

- Cash and cash equivalents;
- Trade and other receivables - this category only includes simple debt instruments where the business model is to collect contractual cash flows and consequently amortised cost has continued to be applied. No lifetime expected credit loss adjustments were considered necessary;
- Derivative financial instruments - subsequent measurement continues to be at fair value through profit or loss;
- Investment in listed companies - subsequent measurement continues to be at fair value through profit or loss; and
- Trade and other payables - subsequent measurement continues to be at amortised cost.

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Notes to the Consolidated Financial Statements

(c) Impairment

The adoption of AASB 9 has changed the Group's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Group to recognise an allowance for ECL's for all debt instruments not held at fair value through profit or loss and contract assets in the scope of IFRS 15.

The Group has reviewed and assessed the existing financial assets for impairment and the change to a forward-looking ECL approach did not have any material impact on the amounts recognised in the financial statements. The Group's term deposits which are included within cash and cash equivalents were assessed as having a low probability of default as they are held with financial institutions with high credit ratings and the Group's receivables (not subject to provisional pricing) which are measured at amortised cost, are short term and the Group has strong risk management policies in place to reduce any exposure.

Title of standard	Summary	Impact on the Financial Statements	Application Date/Date adopted by company
AASB 16 (issued February 2016) Leases	AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases onto its balance sheet in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its balance sheet for most leases. There are some optional exemptions for leases with a period of 12 months or less and for low value leases. Lessor accounting remains largely unchanged from AASB 117.	When this standard is first adopted from 1 July 2019, there will be minimal impact on transactions and balances recognised in the financial statements.	Annual reporting periods beginning on or after 1 January 2019, therefore the application date for the company will be 30 June 2020.

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Investors' Supplementary Information

As at 24 September 2019

The information contained below is to be read in conjunction with the 2019 Annual Report of Elixir Energy Limited.

Details of top 20 shareholders

The following is a list of the top 20 Shareholders of the Company:

Rank	Name	Number of Shares	% of Shares
1.	BEAMOND HLDGS PL BB FAM S/F A/C	17,866,419	3.66%
2.	YOUNG NEIL ALEXANDER I	17,103,036	3.50%
3.	CBMP LLC	16,000,000	3.28%
4.	FERGUSON DOUGAL JAMES	9,042,666	1.85%
5.	TWYNAM INV PL	8,333,333	1.71%
6.	WALL DAVID JAMES RESERVE A/C	8,219,028	1.68%
7.	KYP CAP PLKYP CAP A/C	8,030,000	1.64%
8.	ALEXANDER HLDGS WA PL	7,500,000	1.54%
9.	CITICORP NOM PL	7,286,697	1.49%
10.	GOODALL COLIN R + R M COLIN GOODALL SMSF	6,190,000	1.27%
11.	HOLDREY PL DON MATHIESON FAM	6,034,722	1.24%
12.	SMC CAP PL SMC CAP A/C	6,000,000	1.23%
13.	KORE CAP PL	5,154,531	1.06%
14.	CRAIG PAUL	5,000,000	1.02%
15.	ALLEKIAN EXCHANGE PL	4,750,000	0.97%
16.	BOND J A + LANGDON J K J BOND S/F A/C	4,500,000	0.92%
17.	JORLYN INV PL	4,229,166	0.87%
18.	SHENTON JAMES PL	4,195,000	0.86%
19.	HONEYBALL HLDGS PL HONEYBALL HLDGS A/C	4,013,888	0.82%
20.	A & E WEEKS NOM PL WEEKS FAM S/F A/C	4,000,000	0.82%
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES		153,448,486	31.43%
Total Remaining Holders Balance		334,755,553	68.57%

Distribution of shareholder numbers

Range	Total holders	Number of Shares	% of Shares
1 - 1,000	63	20,287	0.004%
1,001 - 5,000	44	116,886	0.240%
5,001 - 10,000	75	668,508	0.137%
10,001 - 100,000	643	28,976,121	5.935%
100,001 and over	584	458,422,237	93.900%
TOTAL	1,409	488,204,039	100.000%

Investors' Supplementary Information

As at 24 September 2019

Number of shareholders with less than a marketable parcel of securities
As at 24 September 2019, there were a total of 750 shareholders with less than a marketable parcel of securities held in Elixir Energy Limited.

Details of substantial shareholders
There are no substantial shareholders of the Elixir Energy Limited.

Listed Options
There are 93,462,537 Listed Options

Unlisted Options
There are 7,000,000 Unlisted Options.

Performance rights
There are 17,500,000 Performance Rights shares that have not been issued.

Number and class of shares held in escrow
There are 61,348,000 ordinary shares held in escrow, 3,034,964 have a release date of 14 December 2019 and 58,313,036 have a release date of 14 December 2020.

Types of securities and voting rights
There is one class of ordinary shares. Each share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

On-Market Buy Backs
There is no current on–market buy back at the date of this report.

List of exploration projects
There Groups exploration projects comprise:

- Mongolia Nomgon IX CSG PSC
- France Moselle Permit
- Petra Project (25% working interest)

Securities Exchange
The Company is listed on the Australian Securities Exchange.

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